

The NATIONAL UNDERWRITER

Life Insurance Edition

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Quality proved by performance

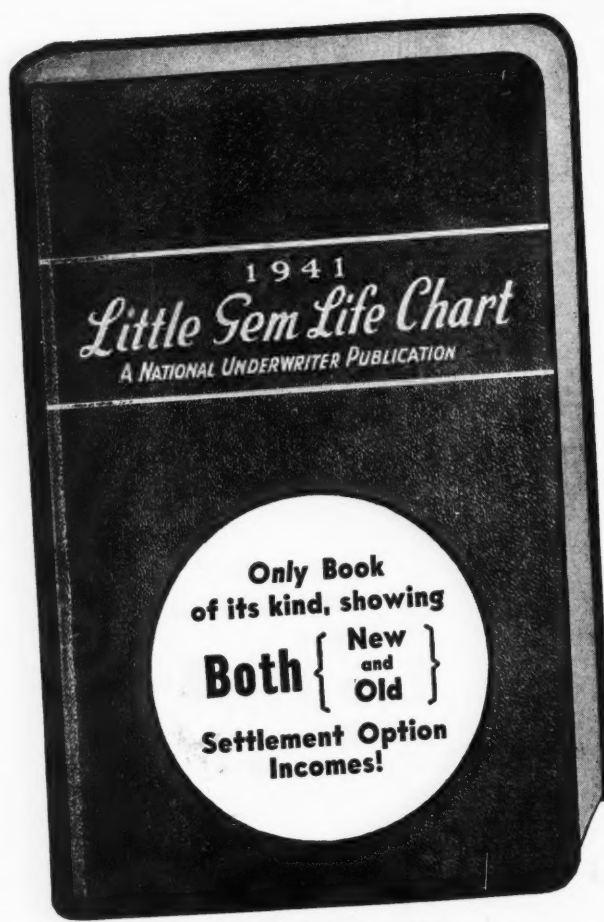
The quality of the John Hancock
Readjustment Income Sales Plan is

daily being proved by the performance of our representatives.

Strongly supported by national advertising, our streamlined method of presenting this plan helps the family man to readily recognize in it a practical solution to a vital problem.



FRIDAY, MARCH 21, 1941



Be Well Prepared in 1941

with **NEW, UP-TO-DATE,**

Facts and Figures that Sell

Every underwriter has occasions when some little item—often a rate, value, or policy point—becomes suddenly, most important. One can never predict when this will happen. Yet if available, the answer may be just the thing to close the sale right away—and “conditions” may never be so favorable again. Thus it is highly important to be well-prepared with the facts, at all times.

Sweeping CHANGES

Make New Information Essential

Important changes in rates, reserves, dividends, etc., have already been announced or are contemplated shortly by more than 50% of the companies—according to a questionnaire recently sent out by the American Life Convention. Among those reporting major changes are the Aetna, Connecticut General, Connecticut Mutual, Equitable Society, New England Mutual, New York Life, Northwestern Mutual, Phoenix Mutual, Prudential, Travelers, Union Central and many others. Consider what it means to risk misquoting data on companies such as these.

Be sure to specify “THE LITTLE GEM” for 1941

(Full Preparedness means using the most effective “weapon”)

To meet the new situation caused by these widespread changes, the most effective pocket reference book is the new 1941 Little Gem. Not only does it provide all the answers available from ordinary books, but it also contains *numerous extra features of real value.*

For instance, the Little Gem is the **ONLY** book of its kind showing the Incomes Payable under contracts *issued years ago*—as well as those now being issued. Indexed by dates of issue, this most important information, so helpful in

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programming and selling the income idea, is available from no other similar book.

Furthermore, the Little Gem covers some **60 extra** companies, gives rates on **864 extra** contracts and shows values on some **344 more** contracts than its principal competitor—and that's approximately 50% more. Not only is the Little Gem more comprehensive but it is most carefully planned throughout. For instance, it is printed in **larger, easier-to-read** type. It has only ten sections—ten places to look. Other books have as many as 17 sections, so the Little Gem is obviously easier-to-use, too. Yet it costs no more.

The “LITTLE GEM” gives *More on ALL the important subjects!

Policy Points & “Practice” (150 companies)
Premium Rates—All Ages (2700 contracts)
Disability & Double Indemnity Rates
Cash Values on over 1000 contracts
Also Values and Incomes at 55, 60 and 65
Net Costs, Net Payments & Summaries
Annuity Rates—Immediate & Retirement
Special Programming Section of over 52 pages—1/3 more than any other

Direct Reading **Social Security** Tables
Retirement Contracts—costs, values, etc.
Juvenile, Term, Industrial, etc.
Settlement Options—Both New & Old—274 tables
Supplemented Monthly by The Insurance Salesman
Financial & Business Reports—four years, 22 items, and for 228 companies.
WAR CLAUSES—Special treatment, up to date at time of delivery.

And many other useful features.

Take Advantage of its EXTRA VALUES ➤

(*Analytical Proof Sent on Request)

Order Yours Now for Prompt Delivery

Special “Club Rates” to All Agents

Rush as soon as ready, (April), at my “club rate”

.....copies **New 1941 “Little Gem”**
(details on your “club rate” on request)

Name Title.....

Company

Address

City State.....

To The National Underwriter Co., Statistical Division
420 East Fourth Street, Cincinnati

The NATIONAL UNDERWRITER

Forty-fifth Year—No. 12

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MARCH 21, 1941

\$3.00 Year, 15 Cents a Copy

Weissman Urges Agents Form Their Own Association

Also Advocates "Taking Over" National Association in Pittsburgh Talk

PITTSBURGH—Declaring that the solution of the soliciting agents problems lies in the formation of an agents' association, or an agents' union, or in the agents taking over the control and operation of the National Association of Life Underwriters, S. D. Weissman, agent of Equitable Society in Boston, gave a long talk before the Pittsburgh



S. D. WEISSMAN

Association of Life Underwriters Thursday. Mr. Weissman analyzed the agents' situation at some length, and urged a more militant and outspoken attitude on the part of agents everywhere. Mr. Weissman will be recalled as the one who gave a talk last summer before the Boston C.L.U. chapter, in which he was very plain spoken and critical in his comments on company management. He renewed and amplified some of those criticisms in his Pittsburgh address.

Questions on N. A. L. U.

Unlimbering his heavy artillery upon the National Association of Life Underwriters, Mr. Weissman said: "Is the National association controlled by general agents and managers? Go through the list of officers, trustees, the heads of important committees and past presidents. Examine the methods of selection of those who are to be groomed for high office in the association. Check on the influence of past presidents who are now company officials. There will be no question as to who controls the association."

"Are they subservient to the home office? When management appeared before the social security board and

(CONTINUED ON PAGE 9)

Aggregate Results for 1940 Shown

Little Gem Chart Compilers Give Figures for Entire Business

The compilers of the Little Gem Life Chart, National Underwriter publication, have now collected the figures from the new statements of a sufficient number of life companies to be able to give a fairly complete statement as to aggregate results. They have the figures of 210 companies, including 11 Canadian insurers operating in the United States for which total company business is reported.

The assets of that group of companies as at Dec. 31, 1940, amounted to \$32,835,350,285, which compares with \$31,194,996,957 for 209 companies the previous year. Surplus now amounts to \$2,021,085,848, as compared with \$1,799,631,363. This includes capital, contingency and special funds, the latter amounting to \$392,619,780 and comprising such items as group life, assets depreciation, real estate depreciation and mortality fluctuation reserves.

Net Reserve Aggregates

The net reserves excluding those for disability and double indemnity are \$26,246,539,977, as contrasted with \$24,985,048,087 the previous year.

Total premium income was \$4,093,626,824, the previous year's figure being \$3,988,739,887. Death claims other than those for double indemnity were \$1,025,231,606, contrasted with \$989,033,659. Endowments and annuities totaled \$474,005,763, the previous year's figures being \$432,487,946. The total paid policyholders was \$2,864,324,272, as compared with \$2,825,008,057.

Including revivals and increases, insurance paid for was \$14,112,592,822, as compared with \$13,930,772,682. The net increase in insurance in force was \$3,731,671,204, as compared with an increase the previous year of \$2,924,600,892. The total insurance in force was \$124,057,978,166, as compared with \$119,580,807,763.

The compilers remark that the increase in reserves plus the total amount paid policyholders exceeds the total premium income. The sum of the first two items is \$4,125,816,162 and total premium income was \$4,093,626,824. In other words, none of the premium money went for expenses, they being entirely derived from earnings.

Commissioners' Steering Group Meets Friday

The executive committee of the National Association of Insurance Commissioners has been called into session in New York Friday and Saturday of this week by Williams of Mississippi, the chairman. The discussion will probably center about the suggestion of Blackall of Connecticut that a central office be established for the organization and to go over the replies that have

Life Sales Gain 5% in February

Life Presidents Reports 2.8% Ordinary Gain, Research Bureau 5%

NEW YORK—New life sales for February increased 5 percent, according to the Life Presidents Association, reducing the 12 percent decrease in January to 4.2 percent decline for the first two months of 1941.

All classes contributed to the February increase. New ordinary amounted to \$408,953,000 against \$397,891,000, a 2.8 percent increase. Industrial totaled \$136,166,000 compared to \$125,226,000, an increase of 8.7 percent. Group was \$44,251,000 against \$38,120,000, a 16.1 percent gain. The new business of all classes was \$589,370,000 compared to \$561,237,000.

First Two Months' Figures

For the first two months, new business of the 39 reporting companies was \$1,162,494,000 against \$1,213,578,000. New ordinary amounted to \$819,875,000 compared to \$802,614,000, a 2.2 percent increase. Industrial totaled \$262,624,000 against \$238,337,000, a 10.2 percent gain. Group was \$79,995,000 against \$172,627,000, a 53.7 percent decrease.

RESEARCH BUREAU REPORTS

Ordinary life sales increased 5 percent in February, according to the Sales Research Bureau with an increase of 3 percent for the first two months. February ordinary sales totaled \$537,557,000, bringing the total for the year to \$1,060,319,000.

New England states showed the largest gain during February with 17 percent, middle Atlantic states gained 2 percent, east north central 4 percent, west north central 6 percent, south Atlantic 4 percent, east south central 12 percent, west south central 13 percent and Pacific 6 percent. Mountain states showed a 3 percent decline.

Most Cities Increase

Boston sales were up 15 percent in February, Chicago was even with last year, Cleveland was off 5 percent, Detroit was up 20 percent, Los Angeles up 21 percent, New York had a 2 percent decline, Philadelphia up 5 percent, and St. Louis up 9 percent.

The states showing above average increase for February were California 8 percent, Connecticut 37 percent, District of Columbia 10, Florida 22, Iowa 27, Kentucky 17, Louisiana 17, Maryland 7, Massachusetts 11, Michigan 13, Nebraska 14, Nevada 67, New Hampshire 36, Pennsylvania 6, Tennessee 22, Texas 16, and Wisconsin 12 percent.

Equitable Society Business Up

Equitable Society's February business was up over a year ago, and for the first two months new ordinary was \$44,708,116, a gain of 5.7 percent.

been received to Mr. Blackall's questionnaire on the subject. Recent SEC-TNEC developments are also slated for discussion.

Life Security Fund Proposed by Pink for N. Y. Companies

Department Bill Would Provide \$25,000,000 in 15 Years

NEW YORK—The New York department is preparing a bill "to create a life insurance policyholder's security fund," similar to the workmen's compensation security fund, which guarantees awards unpaid because of a carriers' insolvency, and to the taxicab liability security fund.

Superintendent Pink announced preparation of the measure in his report to the New York legislature. Rep. Patman of Texas has been talking of introducing a measure in Congress for a federal life insurance security fund.

The Pink bill would affect only domestic companies. It would create a fund under the department with the commissioner of taxation and finance as custodian. Beginning with 1940 each company would contribute .1 percent of its net premiums or 1 cent in every \$10 "on contracts as defined in the bill," until the fund reaches \$25,000,000. The fund would grow at the rate of about \$1,250,000 a year, and would be available either to liquidate allowed claims or procure reinsurance. The money would be used only for policyholders, not general creditors. It would not cover contracts issued by insurance departments of savings banks, since they already have a guaranty fund.

Mr. Pink admits that "in the case of a very large company, \$25,000,000 would not be sufficient in the event of difficulty." But a fund to meet all contingencies would be unwieldy "and in a sense would constitute a company in itself."

While it will require perhaps more than 15 years to accumulate \$25,000,000, the fund should be large enough at any time during that period to take care of smaller companies in difficulty. Even in the case of a large company it would be of material aid to policyholders.

The fund would "add security to the entire insurance structure," he said.

It is not enough, Mr. Pink states, that total loss to policyholders in life companies organized in New York has been very small and there has been no loss through companies authorized in New York for 25 years.

Dangerous Period Ahead

"We are entering a period of forced activity and seeming prosperity. Beyond that looms the possibility of social and economic dangers. It is wise to prepare now not only for any financial crisis that may arise in the future but for any unusual or unforeseen circumstances which may affect any of the companies domiciled in this state."

Mr. Pink's reasoning is phrased in his (CONTINUED ON PAGE 12)

Connecticut Mutual Clinic on Advanced Underwriting

HARTFORD—"Life insurance is not designed to avoid obligations, such as taxes, but rather to provide funds to meet those obligations, and when approached from this angle should be easier to sell," D. B. Maduro, attorney for the New York City Life Underwriters Association, told the 50 field men who attended the advanced underwriters' clinic held at the Connecticut Mutual home office. Mr. Maduro was one of seven experts participating in the three-day clinic, the first of a series planned by Vincent B. Coffin, vice-president and superintendent of agencies, with E. C. Andersen, educational director, as chairman. Others will be held in various sections of the country to bring to Connecticut Mutual agents the latest legal, technical and sales angles.

With regard to insurance to provide funds for the purchase or sale of the owner's interest in his business, Mr. Maduro pointed out that the field for this type of insurance is almost unlimited. "Any business is a prospect, especially sales agencies, advertising firms, law firms, general agencies, etc.," Mr. Maduro said. He then pointed out four things which the owner has in mind which make business life insurance invaluable: (1) "He wants his estate to get cash for his interest, not just a stock certificate; (2) he wants that cash to be a certain minimum amount; (3) he wants it paid immediately after his death; (4) he wants that payment to be assured."

The reasons why an owner wants his family to get cash instead of a certificate, are: (1) B feels that A cannot do as well as A and B together; (2) the value of the stock he owns is much different from its value to his estate; (3) the estate is a poor substitute for himself; (4) he wants to eliminate business worries from his estate; and (5) he wants to prevent his family from being dependent on his partner.

Session on Salary Savings

One entire session was devoted to salary savings, pension and bonus trusts, with E. A. Starr, supervisor of employee insurance plans, M. M. Goldstein, New York general agent, and Arthur Potwin of the legal department on the program.

Mr. Starr pointed out that the successful producer doesn't sell life insurance because he understands all the technical details of the policy contract.

He sells life insurance because he understands the problems of his prospects and is able to fit a policy contract to the need that exists. "That's why it's necessary first to understand the problems which confront the employer in his relationship with the employee before we can have much success in selling salary savings, bonus trusts and pension trusts," Mr. Starr said.

Following are some of the problems of the employer, an understanding of which will help considerably in selling these plans: (1) Paying good wages and making a reasonable profit; (2) creating incentives to reduce turnover; (3) creating employee good will and loyalty; (4) if union shop, satisfying wage and benefit plan demand; if non-union, keeping abreast of developments in order to keep from being unionized; (5) providing for retirement of employees; (6) providing a higher degree of efficiency; (7) securing a better class manpower; (8) maintaining morale and spirit of employee cooperation; (9) improving public relations and consumer good will; (10) reducing taxes to a minimum.

Pension Trust Sale Demonstrated

A sales demonstration, with Mr. Goldstein as the agent, and Richard Evans of the Goldstein agency as the prospect, brought out many effective sales ideas which are being used in selling pension trusts. For example, in handling the employer who treats each case of "superannuation" on its own merits, Mr. Goldstein asks the employer to figure out how much he actually spends for superannuation wages, pension benefits, death benefits and severance benefits. Mr. Goldstein's point is that a pension trust plan "to broaden the scope and formalize the benefits" can through a reasonable application of employee money as well as company money to a common purpose, serve both parties better and cheaper than they can be served without some such arrangement.

In the session devoted to business insurance, Wallace N. Watson, Boston general agent, said there are some 2,000,000 business units in this country and surveys show that a large part of them have never been solicited for business insurance. He said the sale of business insurance is made a great deal easier if the agent will first do a thorough prospecting job. "Get as much

(CONTINUED ON PAGE 13)

"Temporary" Job Ended After 46 Years Service

NEWARK—Ralph W. Hyatt, associate general counsel of the Prudential at the home office, will relinquish his post March 28 and bring to an end a "temporary" job which he has held for 46 years.

He will be tendered a dinner by his associates and officials at the home office, and will leave for a month's vacation, his actual date of retirement being April 28. He will celebrate his 70th birthday April 23.

When he joined the company's law department it was merely a "stop-gap." He remained in the division about three months, when he was placed in charge of the law library. He was advised to stay where he was, for at that time he was told that the "company had not much legal work and never would have."

Pfeil Becomes Millionaire in First 60 Days of 1941

John M. Pfeil, resident group supervisor of the Edward A. Woods Company, Equitable Society, Pittsburgh, is one of the first to write \$1,000,000 in 1941. He has participated in many large cases, including Westinghouse, American Rolling Mills, Carnegie Illinois Steel Corporation and Pittsburgh Plate Glass Company.

By paying for a million dollars in the first 60 days of this year he pointed up a career of 18 years' association with the Woods Company in which he has insured more than 39,500 lives for a total exceeding \$85,000,000 of life insurance, has covered about 21,000 individuals with hospitalization insurance and 15,000 through pension plans. Mr. Pfeil is a member of the Chamber of Commerce of Pittsburgh, and of the Swissvale Chamber of Commerce, is past governor of the 33rd district Rotary International and is on the executive board of the Boy Scouts for the East Boroughs. He also is a director of the Woods Company.

Dr. D. E. W. Wenstrand, medical director Northwestern Mutual Life, will speak on "The Trend of Mortality and Medical Risk Selection" at the March meeting of the Outagamie County Medical Society at Appleton, Wis.

Wage-Hour Unit Makes Statement on Insurance

Company Employees Are Generally Considered as Being Under U. S. Act

WASHINGTON—Insurance companies are generally regarded by the wage and hour division of the U. S. department of labor as being engaged in activities of an interstate nature, thus their employees are accordingly considered as generally being within the coverage of the fair labor standards act, according to an official statement.

This act, commonly known as the wage and hour law, grants to employees entitled to its protection the assurance of a reasonable living wage and the elimination of excessive hours of labor without just compensation. To the employer it guarantees the elimination of unfair competition based on cut wage exploitation of employees by other concerns.

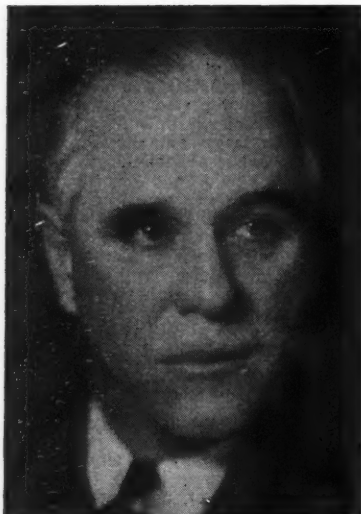
Most insurance companies stand to benefit considerably by enforcement of the law on a nationwide basis, the wage and hour division contends. For instance, since 1938 it is estimated that increases of some \$100,000,000 per year have been made to American payrolls through its operation. In addition, a total of some \$6,000,000 has been paid out by employers in lump sum payments to employees in restitution of wages found by the wage and hour division to have been below the legal minimum.

Sees Value to Insurance

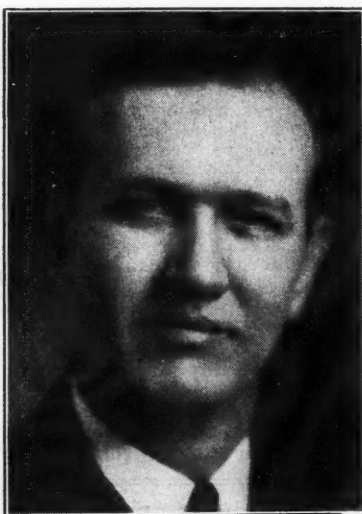
The value to the insurance world of this annual increase and these lump sum payments—ranging from only a dollar or so to several thousand dollars each—cannot be underestimated, when it is considered that with most American families, as well as with American business concerns, insurance premiums come first, the wage and hour division states. Similarly, these increases result in the purchase of better food, clothing, living conditions—all of which lead to better health. And better physical health for American workers can only mean

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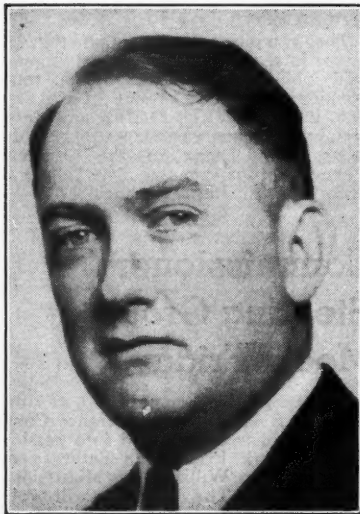
Top Executives of N. A. L. U. Scheduled for Busy Period at Wichita Mid-Year



HARRY T. WRIGHT, Chicago President



JOHN A. WITHERSPOON, Nashville Vice-president



GRANT TAGGART, Cowley, Wyo. Secretary



WALTER E. BARTON, New York Treasurer

Settlement Option Data Enlarged in 1941 Little Gem

New Edition to Be Ready Soon—Contains Many Valuable Features

Among the many valuable features of the new 1941 Little Gem Life Chart which will be off THE NATIONAL UNDERWRITER press in a few days is an enlargement of the scope of its highly important showings of the incomes payable under settlement options. In 1940 the Little Gem was the only book of its kind showing these incomes for contracts issued in previous years as well as for contracts currently being sold. By an ingenious index according to dates of issue, the new Little Gem gives the incomes payable by practically all contracts issued during the last 30 years. Some 150 different companies are covered in this showing. Thus agents with the new Little Gem will have for the first time in a single easy-to-use volume, all the essential basic income figures used in most modern effective selling plans. Only with income information of this kind is an agent properly equipped to advise people on how their life insurance can best serve their individual needs.

Many Sweeping Changes

Sweeping changes in rates, reserves and dividends have been made by a great many companies, including a number of very important ones, since the last Little Gem was issued. Among the companies making changes are the Aetna Life, Connecticut General, Connecticut Mutual, Equitable Society, Metropolitan Life, National Life & Accident, New England Mutual, New York Life, Northwestern Mutual, Provident Mutual, Prudential, Travelers, and Union Central. Obviously these widespread major changes by such a large percentage of the business make new up-to-date facts and figures of life insurance absolutely essential to every agent this year.

To meet the new situation caused by these changes, the most effective pocket reference book is the new Little Gem because it not only provides the usual information but also contains so many extra features of real value such as the "incomes payable" data mentioned above. Among other special showings of the new Little Gem is the section giving highspots on the larger companies in convenient tabular form.

Quick Reference Tables

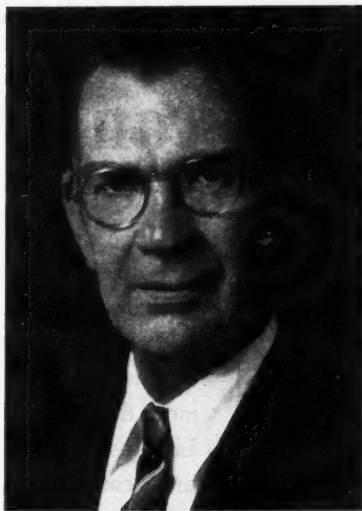
In addition to 10 and 20 year cost data, present scale and histories at age 35, these quick reference tables include cash values per \$1,000 at 55, 60 and 65, the incomes payable per \$1,000 at 60 and 65 and other helpful information on non-forfeiture values.

The Little Gem's careful coverage of the finer points is well exemplified by its treatment of disability and double indemnity. In the new edition some 100 variations in recognized disability and the restrictions on disability and double indemnity are shown to cover the many shades of interpretations used by the various companies. For instance, there are 10 different types or grades of aviation restrictions that are used in double indemnity clauses throughout the country. Furthermore, there are some 15 variations or degrees as to military service or war hazards. The exclusions of liability range all the way from the

(CONTINUED ON PAGE 26)

Bowen Detroit Convention Head

DETROIT—Charles C. Bowen, president of Standard Accident, has been named general chairman of the group that will arrange details for the convention of the National Association of



CHARLES C. BOWEN

Insurance Commissioners here June 9-11.

William G. Curtis, president of National Casualty, will head the executive committee and will have general charge of operations during the next several weeks when Mr. Bowen will be out of Detroit.

Mr. Curtis stated that the executive committee invites the agents associations, companies, and all organizations and insurance groups to suggest ways

Williams Not Confirmed in Tex.

AUSTIN—In executive session the Texas senate is understood to have refused confirmation to Reuben Williams as life insurance commissioner, then reconsidered the refusal and returned his name to the governor's nominations committee. Governor O'Daniel is now expected to withdraw it and submit a new nominee. This was softened action in rejection.



Reuben Williams

in which they think they can help make this convention an outstanding success. Persons connected with such organizations or companies will have to pay the registration fee at the convention. The commissioners, their staffs, and families and perhaps some others will be presented with registration tickets.

MICH. CARRIERS COOPERATE

DETROIT—The Affiliated Insurance Interests of Michigan, loosely knit organization of top executives of Michigan's stock, mutual and reciprocal fire and casualty carriers, life companies and fraternal, held a conference to lay plans for cooperation for the annual commissioners' convention.

Ray E. Fuller, superintendent of agencies, and Phil C. Irwin, associate actuary, of the Equitable Life of Iowa, were in Los Angeles and conducted an agency meeting for the R. L. Hoghe agency.

LISTENERS HEAR

At the moment there are a number of radio programs on the air in which contests are held with cash prizes for the winners.

In interviewing one of the contestants recently, the program announcer asked, "Mrs. Blank, if you were to win this grand prize, what would it mean to you?" And her answer was, "It would be wonderful. My husband and I would then know that we will always have a roof over our heads."

When he asked a young man what he would do if he were to win, the huge listening audience heard this: "The first thing I would do would be to finish my medical education which I had to abandon when my father died two years ago."

The interesting thing about these answers is that they indicate some sort of security as the general answer, usually couched in very personal human terms. One of our underwriters, struck by the fact, often calls attention to it when he is talking to a prospect. Most people are familiar with one or more of the air programs, and our underwriter tells us that to remind them of some of the interview answers supplies a homely and effective touch of motivation at the time he is talking of what life insurance money can do.

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Life Insurance Advertisers Check on Their Gunfire

L. A. A. Eastern Round Table Devotes Session to Appraisal of Results

NEW YORK—Using the timely analogy of "Correct Your Gunfire," the Life Insurance Advertisers Association's eastern round table devoted its entire session to the appraisal of the effectiveness of advertising and of sales promotion aids. Carrying out the artillery comparison, H. D. Shaw, Continental American, the keynote speaker, said that there are four points: First, what are you aiming at? Second, what kind of ammunition are you using? Third, what kind of shooting are you doing? And fourth, are you making observations so that you can correct your gunfire?

Mr. Shaw recalled how last December Brutus, a lion in the Bronx zoo, New York City, fell into the dry moat around the zoo's new lions' island. Whipping, jabbing with poles, using a lasso, all failed to induce him to climb the ladder. Finally, after dark, the zoo director tried playing a flashlight on Brutus and the lion scurried up the ladder. Mr. Shaw termed this a dramatic example of pushing the right button. He said that because of the abstract nature of sales promotion work its world is filled with theories and theorists because it is easier to theorize than to find out. Some ideas that seem the best, however, when put to the real test just won't get the lion up the ladder.

Public Is the Real Judge

"We need something that will periodically jar us into remembering that the real judge is not the distinguished gentleman who ponders over the display board or the willing friend who acts as a critic, but the fellow out there," he said. "The prospect, the policyholder, the agent, the manager—they are the judges and the juries we appeal to. But it takes courage and hard work to learn what pushes the right buttons with those people, to find out whether we are getting the results our companies want."

Mr. Shaw said that in spite of the difficulties involved in trying to talk about "this almost intangible subject of tangible results," the program committee had decided to devote the meeting to it, to bring it out into the daylight and examine it and to set up a series of talks and discussions aimed at increasing the result-getting power of the advertising man's work.

Describes Appraisal System

H. A. Thompson, director of marketing and research, Arthur Kudner advertising agency, New York City, described what that agency has done in appraising in strictly objective and impartial fashion the effectiveness of advertising. He pointed out that no matter how many thousands of readers will see an advertisement and no matter how good a market these people represent, nor how reasonable this coverage is on a per-reader basis, these figures do not settle whether or not the advertisement is worth publishing.

Various plans were tried to measure advertising effectiveness and about five or six years ago a new type of service entered the field which checked advertisements after they appear by interviewing a cross-section of the magazine reading public and furnishing

(CONTINUED ON PAGE 29)



Things a man can trust

There are men and institutions that merit the name of "Old Faithful" as truly as does the remarkable geyser in Yellowstone National Park. In these times it is well to know them. It is a comforting thing to be certain that, whatever happens, we can count on them. To the more than two million policyholders of the New York Life Insurance Company, the feeling of confidence in their company is a priceless possession which has a solid foundation of integrity.

Since it was founded in 1845, almost one hundred years ago, this Company has met its every obligation, through panics, wars and epidemics. The Company operates under the most stringent laws for the protection of policyholders and adheres to the principle that "safety is always the first consideration." *** It has always been a mutual company, has never had a stockholder, and pays dividends to policyholders only. *** New York Life representatives have a unique incentive to render the best possible service to their clients under a special agency plan which promotes and rewards long continuity of service and benefits all concerned—the policyholder, the beneficiary, the agent and the Company.

Before you buy your next policy, talk with the New York Life representative in your community. He may be able to help you.

NEW YORK LIFE INSURANCE COMPANY

*A Mutual Company
Founded on April 12, 1845*



*51 Madison Avenue,
New York, N. Y.*

Safety is always the first consideration . . . Nothing else is so important



THE ADVERTISEMENT on the opposite page will appear in *full color* in four leading national magazines.

It is the first in a new series of institutional advertisements of the New York Life Insurance Company.

The purpose of this new campaign is to help New York Life agents by providing a broad, prestige-building background for their efforts in the Field.

This new institutional campaign will appear in the following magazines:



SATURDAY EVENING POST	3,231,496	circulation
COLLIER'S	2,890,058	circulation
NEW YORK TIMES MAGAZINE	802,386	circulation
THE FARM JOURNAL	2,509,402	circulation
TOTAL CIRCULATION	9,433,342	

Estimates Rise of Wichita Attendance

Exceptional Interest Is Taken in Forthcoming Mid-Year N.A.L.U. Rally

A record-breaking attendance at the mid-year meetings of the National Association of Life Underwriters at Wichita March 27-29 is predicted. L. M. Buckley, New England Mutual, Chicago, as chairman of the national council, has completed a survey of the 300 local associations to ascertain probable attendance.

A large majority of associations, even those on the Pacific and the Atlantic coasts, will be represented. Chicago will send a large delegation, as will Denver, Minneapolis and Dallas. The Oklahoma City group, which is promoting the candidacy of Tom B. Reed for trustee, will have one of the largest delegations. Kansas City may send as many as 75 to 100.

Many From Hartford

Hartford will be represented by a large delegation of agents, home office men, and almost the entire staff of the Sales Research Bureau.

Earl V. Reed, chairman of reservations, reports that, while all available rooms in the official headquarters hotel have already been reserved, there will be plenty of accommodations in the other hotels.

Frank Frisbie and Riley Cunningham, in charge of sales congress ticket sales, report that tickets are being taken in large numbers.

Grant Taggart, Cowley, Wyo., national secretary, will address a joint meeting of civic clubs, Chamber of Commerce, and life underwriters March 26 at Dodge City, Kan. Following their "Grant Taggart Day" the Dodge City life men expect to move on to Wichita 100 percent strong. Elmer Henry, Victory Life, is chairman of the Dodge City program and of the "on-to-Wichita" activities.

Mails "Broadside"

The Wichita publicity committee has mailed a "broadside" to every state. The poster is in the form of an outline map of the United States, appearing in white offset in a field of solid red. The speakers for the sales congress are pictured in blue according to the geographical locations of their respective cities. The convention city appears in the center with this description: "Often known as the 'princess city of the plains' by insurance men who have 'conventioned' there, Wichita underwriters guarantee a truly royal national meeting."

Foster C. L. U. Speaker

Stephen M. Foster, recently appointed economic adviser of the New York Life, will address the New York C. L. U. chapter's monthly luncheon meeting March 26 at the Hotel Martinique on "Investment Problems Affecting Life Insurance." He is widely known as a writer and speaker on economics. He will touch on the inflation question and after his talk will answer questions.

May to Life Presidents to Do Special Work



ALLEN MAY

Allen May, St. Louis, one of the best known insurance attorneys in the middle west, has joined the staff of the Life Presidents Association to undertake several months of special work. Mr. May recently has been general solicitor of the General American Life and for more than 16 years was chief home office counsel of the General American, and of its predecessor. He is a former assistant attorney-general of Missouri, former secretary (1930-31) and chairman (1931-32) of the American Life Convention legal section and a member of the Life Counsel Association.

Started Life on Farm

Judge May was born on a farm near Middletown, Mo., in 1893, received his education at Savannah, Mo., Platt's Commercial College and St. Joseph (Mo.) Law School. He was admitted to the bar in 1917 and practiced law in St. Joseph in 1919. After war service he was municipal judge, St. Joseph, then special assistant attorney-general at Jefferson City, remaining until 1924.

Going to St. Louis in 1924, he associated with Jourdan & English, law firm, in general practice, but primarily as general counsel Missouri State Life. He took charge of the law department of that company in 1925, and since has been senior law officer of the Missouri State and General American. He was Missouri State general attorney 1925-31, vice-president and general attorney 1931-33. He evolved in 1936 the plan for mutualization of General American.

Judge May has appeared several times on programs of the A.L.C. legal section and Life Counsel Association.

Gets Right to Confer Degrees

The Hartford College of Insurance has been authorized by the state board of education to confer degrees upon its first entering class which graduates in June 1942. An inspection committee made a favorable report.

N. Y. Underwriters Plan Sales Day

NEW YORK—Next Thursday's annual one day sales congress of the New York City Life Underwriters Association at the Hotel Pennsylvania will emphasize run-of-the-mill cases rather than extremely large or specialized type of business. A heavy attendance is looked for in spite of the fact that for the first time the sales congress will be closed to all except members of the association or other life underwriters' associations. Announcement of the exclusion of non-members has already resulted in new members.

Draw on Own Talent

Another unusual feature of the program is that only two speakers will be drawn from outside the New York association's membership. They are Vice-president P. F. Clark of the John Hancock, who will conclude the morning sessions, and James A. McLain, president of Guardian Life of New York, who will be the final speaker. There will be a prospecting panel with three 15-minute speakers: T. W. Foley, general agent State Mutual, on "Natural Prospecting," Mrs. L. L. Joseph, Home Life of New York, "Referred Leads," and S. F. Greene, Guardian Life of New York, "Direct Mail."

Panel on Sales Talks

At the sales-talk panel which will follow D. B. Fluegelman, Northwestern Mutual and B. D. Salinger, general agent Mutual Benefit Life, will speak on "Memorized Sales Talks" and F. R. Amthor, Equitable Society and H. R. Dowell, New England Mutual, will speak on "One- and Two-Interview Selling."

At 2 o'clock there will be a panel of eight experts each of whom will present their answer to the question "What Do You Say When the Prospect Says—?" P. A. Peyser, Manhattan, will cover "I Buy Only Term Insurance;" J. H. Brady, Home Life of New York, "I Have Had My Insurance Analyzed By an Independent Organization;" E. P. Donovan, Massachusetts Mutual, "I Prefer Baby Bonds;" G. G. Steiner, Aetna Life, "My Social Security and Group Insurance Cover Me Adequately;" F. U. Levy, Penn Mutual, "I Just Had an Audit Made;" W. H. King, New England Mutual, "I Can Afford It Now But I Don't Know How I Will Stand in the Future;" J. E. Spence, Penn Mutual, "But I Can't Afford It;" H. W. Baird, Northwestern Mutual, "I'm Worried About Inflation."

To Treat Time Control

Various aspects of time control will be presented by T. J. Murphy, John Hancock; W. A. Sullivan, Metropolitan and C. J. Casper, Jr., Prudential.

The topic of Raymond Moley, author and contributing editor of "Newsweek" magazine who will address the annual banquet following the sales congress, is "Security of the Individual and of the Nation." He will devote part of his talk to an analysis of what he believes the status of the life insurance business to be.

Research Bureau to Meet in Toronto

Convention with Agency Officers There Nov. 3-5 Is Innovation

Life Insurance Sales Research Bureau and Association of Life Agency Officers will hold their joint annual meeting in Toronto Nov. 3-5. This breaks a tradition of almost 25 years of holding the gatherings in Chicago.

The Toronto meeting at the Royal York Hotel starts with luncheon Nov. 3. The afternoon will be devoted to business sessions.

Second main session will be all day Nov. 4, and third session Nov. 5, with adjournment at 1 p. m. Presiding chairmen will be, as is customary, heads of bureau and association governing boards and committees. The first day, W. Stuart Penny, director of agencies, Sun Life of Canada, and chairman, bureau board of directors, will serve as chairman. Vincent B. Coffin, vice-president and superintendent of agencies, Connecticut Mutual, chairman, bureau executive committee, and F. H. Haviland, vice-president Connecticut General Life and chairman of agency officers' executive committee, will lead the meetings on the second and third days, respectively.

Genesis of Idea

Suggestion for a Canadian meeting this year was first made by several officers of U. S. companies at the annual meeting last fall. A poll of the U. S. membership showed that the vast majority of companies were decidedly in favor of the innovation, and the bureau's executive committee approved the proposal.

The organizations have never held an annual meeting in any city other than Chicago. The Association of Life Agency Officers held its first meeting there in 1918 and on the second afternoon heard the news of the famous "fake Armistice." The Research Bureau was organized at the beginning of 1922, and the first joint meeting of the two organizations was held in November at Chicago.

Back Taggart for Vice-president

The executive committee of the Wyoming Association of Life Underwriters has endorsed Grant Taggart, secretary and chairman of the membership committee of the National Association of Life Underwriters, for the office of vice-president of the National association. The Wyoming association will take all steps necessary to further his election at the next annual meeting of the National association.

Mr. Taggart is agent for the California-Western States Life in Cowley, Wyo. He is a member of the Million Dollar Round Table, and has been very active nationally in association affairs.

Name Fowler Regional Head for John Hancock Mutual

Edwin H. Fowler, New Haven, Conn., field supervisor in charge of Connecticut for John Hancock, has been appointed regional district manager, in charge of the southeastern division with headquarters in Philadelphia. This is a position of great responsibility, as under the John Hancock's organization plan the country is divided in six regions.

Mr. Fowler, Dartmouth graduate of 1927, football player and business manager of the college literary publication, entered life insurance work in 1931. He became a C. L. U. in 1939.

Just the thing to convince hard boiled prospects—"24 Men in 24 Years," 8 booklets \$1 from National Underwriter.

FIGURES FROM DEC. 31, 1940, STATEMENTS

	Total Assets	Change in Assets	Surplus to Policyholders	New Bus. 1940	Ins. in Force Dec. 31, 1940	Change in Ins. in Force	Premiums Income 1940	Total Income 1940	Benefits Paid 1940	Total Disburs. 1940
Empire State Mut. Life.	813,803	+31,181	73,605	1,902,164	5,042,088	+974,277	164,318	269,780	97,664	234,659
Farm Bureau Life, O.	3,694,351	+546,048	623,279	10,509,058	38,192,495	+7,278,789	1,124,951	1,321,657	437,849	793,533
National Masonic Prov.	1,452,748	+95,056	973,824	48,590	445,233	+30,000	12,845	189,112	68,257	131,330
Peoples Life, D. C.	11,692,823	-32,111	81,362,396	155,000,520	21,546,732	+21,546,732	5,329,395	6,020,657	1,210,187	4,511,834
Protective Life	13,249,079	+1,108,810	1,656,397	15,008,219	132,335,592	+11,709,916	2,596,690	3,870,554	1,651,642	2,769,929
Santa Fe Natl. Life	591,630	+33,846	131,405	3,509,809	8,519,231	-231,470	296,574	356,220	86,742	325,877
Southern Life, Ga.	451,715	+37,414	254,058	2,466,785	5,497,802	+1,003,088	138,614	211,371	13,763	161,982
Victory Mutual Life	1,020,792	+98,967	110,671	1,543,950	7,885,539	+390,651	236,245	294,429	61,684	184,471
West Coast Life	27,326,571	+1,300,157	704,759	17,186,935	121,681,854	+2,219,678	4,170,463	5,923,394	2,584,554	4,783,498
FRATERNALS										
Gleaner Life	8,120,509	+300,174	242,511	4,124,462	40,925,930	+704,748	1,256,796	1,679,775	691,374	1,322,854
Neighbors of Woodcraft	5,369,469	+845,881	577,788	657,800	33,304,018	-1,226,137	1,623,180	1,798,859	758,404	975,602

¹Includes \$279,034 payments under A. & H. department.

²Does not include \$29,000 contingency reserve.

Compensation Stand Taken in Portland

Favors Adjustment to Meet Needs, Even If It Increases Cost

PORTLAND, ORE.—An open letter has been sent to the National Association of Life Underwriters setting forth the position of the Portland association on the agents' compensation situation. Disagreement is expressed to the assumption that revised commissions must be restricted to those now being paid to agents. "We believe that if it should become necessary to increase the net unit cost or to increase the acquisition cost limits in order to establish a suitable and satisfactory plan of agents' compensation, then the companies should not only be willing to go out of their way, but to take any positive action necessary to the end that their agents receive adequate compensation for the work they do," it is stated.

"We believe that by increasing the compensation and the security of present agents, substantial amounts now being used in recruiting and unproductive turnover will be saved, and will go a long way toward providing the funds necessary to establish the 2 percent service commission.

Opposed to Suggested Plan

"We are also opposed to the suggested commission schedule of 40 percent, 15 percent, 10 percent (vested) and the seven 5's (non-vested). As we view it, this would completely destroy the agent's independence and freedom of action. This schedule is uninviting to both the old and new agent. If this scale is to represent the new agent's initial income, it will make recruiting more difficult. As this problem then resolves itself, which it must, by in some way increasing the new agent's initial income, the practical effect will be to recruit, train and maintain the new agents at the expense of the old established agents, and for this reason, we cannot endorse it.

"This association believes the present scale of commissions should be continued on a fully vested basis for 10 years to the agent who continues in the business, although he may not remain with the same company. Viewed broadly, the agent's work is institutional in character, and we think it should be recognized as such in the maintenance of his full commissions while he remains in the business. These commissions should be vested in the case of death, disability or retirement from active work on account of old age. We believe that some adjustment should and could be made in connection with the agent who leaves the business entirely. However, in view of the possible heavy loss to him by reversion to the company or his general agent of his non-vested renewal commissions, the circumstances of his leaving are most important, and any arrangement of this kind should be hedged with safeguards to prevent serious financial injury without cause.

Approve Service Commission

"We wholly approve of the proposal that a 2 percent (non-vested) service commission should be paid to the service agent who remains with his own company, this commission to begin in the 11th year and to continue during the life of the contract. Since the agent clearly earns it, we believe this service commission should be paid on all orphan business assigned to the agent for servicing, except during the period when vested commissions are being paid to the original agent.

"In regard to pensions, this association believes that field men should have retirement provision based on a contributory pension plan in combination with social security. In view of the fact

National Association Man Observes 25th Year



P. B. HOBBS

Philip B. Hobbs, Chicago agency manager of Equitable Society and active in the National Association of Life Underwriters for many years, celebrated March 16 his 25th anniversary with the company. At a meeting of his agency winding up a month's campaign in his honor, Manager Hobbs was presented 169 applications for a total of \$702,000 written business, and a fine gold wrist watch. The leading agent wrote 27 applications and Lubin & Suslick submitted 14 applications for a total of \$124,000 written in the month.

Frank J. Gagen, assistant manager, presided, reading congratulatory telegrams and letters that were received from throughout the country, and Saul Bloch, assistant manager, presented the results of the campaign.

All His Career in Chicago

Manager Hobbs started with the Equitable in Chicago, being district manager of the old V. C. Curtis agency. In 1918 he was transferred to the P. L. Girault (now Lustgarten) agency there as assistant manager, and was named associate manager in 1924. He was given the management of the Holzman agency in Chicago two years later. In the 15 years since Mr. Hobbs has been manager his staff has paid for more than \$100,000,000.

Mr. Hobbs is past chairman of the general agents and managers division of the National association, has been National committeeman for the last nine years, and is sub-chairman of the National law and legislation committee in charge of state legislative activities. He is past president Illinois State Association of Life Underwriters.

that social security is here and that it provides exceptional old age and survivorship benefits, we are in agreement with present efforts to have these benefits extended to life insurance agents. We further believe that the companies should give earnest consideration to some form of past service benefits for those agents who are already approaching retirement age, and who are being overlooked in most of the pension plans now being announced."

The open letter in its final form was approved by the directors of the Portland association with only one dissenting vote.

H. K. Cassidy, general agent of the Pacific Mutual Life in San Francisco, was called to Wichita, Kan., by the death of his father, prominent Baptist minister.


Just the thing to convince hard boiled prospects—"24 Men in 24 Years." 8 booklets \$1 from National Underwriter.

Three-Quarters
Over

of a Billion Dollars
of Life Insurance in Force!

Gain in
1940
Approximately
\$65,000,000

The
**NATIONAL LIFE
AND ACCIDENT
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C. A. CRAIG, Chairman of the Board  C. R. CLEMENTS, President

HOME OFFICE NATIONAL BLDG.
NASHVILLE TENNESSEE

Commissioners Meet on Nonforfeiture

Guertin Committee Uncertain on Agreement with N. Y. View

NEW YORK—The National Association of Insurance Commissioners committee on nonforfeiture values is considering "several bases," Chairman A. N. Guertin, actuary New Jersey department, said when asked, following the committee's latest meeting here, whether the group is working on a basis looking toward a compromise with the views of the New York department's nonforfeiture committee. He declined, however, specifically to state whether any of these bases under consideration were aimed at such a compromise. The meeting was the third which the Guertin committee has held since the first of the year. It lasted for two days as did one of the two which preceded it.

The New York department committee's objection to the Guertin committee's preliminary proposal, which was made public at the commissioners convention in December, was that it would, in effect, permit substantial surrender charge throughout the life of the policy, increasing with duration, where companies adopted a more conservative valuation basis for policy reserves than that specified in the law for nonforfeiture provisions.

N. Y. Department Attitude

Some idea of the department's committee's views on how closely surrender charges should be limited by statute is given in a memorandum recently prepared by Associate Actuary H. L. Feay, a member of the department's committee, for L. M. Gardner, department counsel. Mr. Feay, who has been the most active of the department's staff in opposing the present basis of surrender charges, pointed out that section 208 of the insurance law now allows a maximum surrender charge of \$25 per \$1,000 of insurance, regardless of plan, a limit adopted when the level premium reserve plan was the only valuation standard permitted in New York and was not changed for modified preliminary term reserves when these reduced reserves were legalized in the state in 1923.

"Generally it is assumed that the \$25 charge is not excessive for nonparticipating insurance at the end of the third and fourth policy years when the reserves are on a level premium standard and the valuation interest rate is not more than 1 percent less than the actual net earned interest rate of the company on its ledger assets," Mr. Feay's memorandum observes. "However, the charge is excessive after, say, eight or 10 years for full level premium reserves and at all durations for modified preliminary term reserves."

Shows Small Borrower Gets Half of the Assets

Answering the charges in recent TNEC hearings that assets of life companies are being invested in big business to the exclusion of the small borrower, Dwight L. Clarke, executive vice-president of Occidental Life of Los Angeles, released figures showing that more than 50 percent of that company's assets are loaned to the small borrower. Occidental Life's assets on Dec. 31, 1940, were \$73,448,041, and of this total \$39,420,742 is in loans of \$10,000 or less.

Occidental Life has more than 7,000 FHA loans which average only \$3,760 per borrower. In addition, the thousands of loans to policyholders average only \$300 each.

Phipps Goes with Brailey as Production Manager

D. Miley Phipps of Chicago, unit supervisor Parsons agency Mutual Benefit, has resigned, and has been appointed by Earle W. Brailey, Cleveland general agent New England Mutual, as production manager.

Mr. Phipps has had a wide, successful



D. MILEY PHIPPS

experience, especially in business insurance and estate planning. He formerly was superintendent of agencies of the Continental Assurance, and educational director. Then he was in charge of a unit in the Hobart & Oates general agency of Northwestern Mutual Life.

He is first vice-president Chicago Association of Life Underwriters. Mr. Phipps long has been an untiring worker in the American College program and C.L.U. movement. For several years he has directed the C.L.U. classes and life insurance course in Northwestern University school of commerce. Mr. Brailey is immediate past president National Society of C.L.U.

Mr. Phipps is preparing to move his family to Cleveland from Evanston, Ill.

Pacific Mutual Assets Higher by \$6,585,819

An increase in assets of \$6,585,819 is recorded in the new report of Pacific Mutual Life. Total assets are \$247,124,793, an all time high.

Payments to policyholders and beneficiaries were \$21,153,257. Insurance in force increased to \$587,900,115. Capital and surplus aggregate \$6,103,031, increase \$828,106. Investment contingency reserves are \$3,479,924. Policy and claim reserves stand at \$227,357,932, increase \$6,015,408.

Policyholders now number about 250,000; during 1940, 12,500 people purchased insurance, representing more than \$37,000,000, or a gain of 12 percent.

Investment in bonds increased from \$88,262,835 to \$91,62,536. Mortgages increased from \$83,865,922 to \$91,396,032.

Net interest earnings were 3.70 percent for the combined life departments, including both participating and nonparticipating, and 3.64 percent for the company as a whole.

Over the past 4½ years, Pacific Mutual has paid in policyholder dividends, \$8,133,000, and added \$3,100,000 to surplus from its earnings. During this same interval it has increased its assets by \$25,000,000, increased policy and claim reserves by nearly \$17,000,000 and has distributed to policyholders and their beneficiaries approximately \$90,000,000.

P. K. Lutken, president of Lamar Life, has been elected president of the Jackson (Miss.) Rotary Club.

Need for Covering Installment Buyers Urged at Cleveland

CLEVELAND—The need for life insurance to take care of incurred installment purchases was stressed in a novel panel discussion of the Cleveland Life Underwriters Association.

C. L. Yewell, General Motors Acceptance Corporation, pointed out the great variety of things bought on the installment plan. In discussing the collection process in event of death of a man financing the purchase of an automobile, Mr. Yewell stated that the administrator or executor decided what to do about the equity in the automobile and the balance due.

Financial Condition Poor

The financial condition of most widows following death of their husbands is very poor. In the majority of cases the estate is less than \$500, Mr. Yewell said. In cases where his company is informed of the death of a client and the appointment of an administrator, a representative calls and presents a statement of the balance due. The company has the right to replevin but it never does.

Mr. Yewell said his company is interested in whether a client carries life insurance, because in event of death there will be no trouble and any loss to the estate will be very small.

More Insurance Conscious

Joseph Amster, Rosenblum Company, discussed the purchase of clothing and other merchandise on credit. The seller holds no mortgage or claim by which the merchandise can be taken back in settlement of a balance. He finds the people he deals with are more insurance conscious today than ever before.

Most installment buyers are in the low income brackets and installment purchasing enables them to get things they could not otherwise buy. Although some overbuy, the majority make their payments as agreed, some even doing better. Sometimes people ask for a deferment because they have an insurance premium to pay. Extensions are usually granted in such cases, unless it becomes a habitual excuse.

Take Over Account

In event of death, generally some other member of the family takes over the account and continues the payments. However, if the widow has nothing and no others to take the obligation, the company cancels the balance. Insurance often goes toward paying up the accounts, and widows are proud to be able to pay up their bills. "Naturally we like the customer who is protected with life insurance," he said.

B. H. Brainard, Cleveland Trust Company, speaking on real estate mortgages, stated that life insurance plays a vital part in any mortgage contract. When information comes in that an administrator has been appointed, a simple statement of claims in affidavit form is made, Mr. Brainard explained. Then follows an investigation to see if the heirs have the ability to service the mortgage. When no money exists in the estate to pay debts, it is frequently necessary to sell the real estate. Life insurance prevents these situations and provides money to satisfy the mortgage as well as other debts. Insurance men should give careful attention to protecting estates, he said.

Ed McIntosh, real estate appraiser, explained what happens when real estate must be sold. Before a widow acts in the sale of her home she should know where she is going. Often sharpshooters are out to see her to get her to invest in this and that for income and security.

Ted Walters, Morris Plan Bank, discussed personal loans and what hap-

Step Up Allison Trustee Campaign

The committee that is advancing the candidacy of Edward L. Allison of Tulsa for trustee of the National Association of Life Underwriters, is increasing its efforts on the eve of the mid-year gathering in Wichita. M. P. Johnson, Tulsa manager of Fidelity Mutual Life, is chairman of the committee. The executive committee of the Tulsa association endorsed Mr. Allison last September.

Mr. Allison is a native of Georgia and has been a resident of Oklahoma since 1917. He served in engineer corps during war.

He entered the life insurance business in 1925, and since that date he has been associated with Frank M. Engle with whom he forced a co-partnership in 1933, as Engle & Allison. This is probably the only exclusively life insurance brokerage firm in the southwest.

Mr. Allison is a past post commander and National executive committeeman of the American Legion. He was one of the founders of Tulsa Junior Chamber of Commerce, a former director of the Tulsa Chamber of Commerce and chairman of its membership division. He is now serving as director Tulsa Community Fund and Tulsa Council of Social Agencies.

For many years he has been a director of the Tulsa Life Underwriters Association and for the past four years has served as national executive committeeman. He became a C. L. U. in 1938 and was president of the Tulsa C.L.U. in 1940.

Mr. Allison is one of two trustee candidates from Oklahoma. The other is Tom B. Reed, Great Southern Life, Oklahoma City.

pens when the borrower dies. His bank places insurance on the lives of borrowers and insurance cancels the note in case of death. Without such insurance, co-makers have been reluctant to sign the paper of friends as guarantors. Rarely is anyone over-insured. On the contrary, most people don't have enough, Mr. Walters pointed out.

Generally, when the head of the family dies, there is little more than a small industrial policy or group insurance payment to take care of the survivors and the debts of the deceased. W. J. Kelsic, Ohio Finance Company, pointed out. If there is no money in the estate upon death the balance of the obligation is canceled. Where there is insurance, collection is made successfully within 30 days. Thus insurance is vitally important. Loan applicants are asked if they have insurance, how much and with what companies.

Mostly Small Policies

Sumner Canary, attorney, in summing up the discussion, said that although some companies write off obligations in event of death, the majority push their claims. Unless there is an estate or insurance, the survivors of the family are forced to scrape to pay off time payment obligations because those obligations were incurred on the strength of the bread-winner's ability to handle them. A transfer of real estate to children before death will eliminate considerable cost.

Nevada Code Bill Amended

The Nevada insurance code was amended so a provision which would have worked a hardship on fraternalism was made applicable only to Nevada domestic societies. As originally written, the provision stressed the social and beneficial side of fraternalism and would have penalized societies through their insurance departments. Foster F. Farrell, secretary-manager National Fraternal Congress, appeared before the legislature's insurance committee in behalf of the amendment to Senate Bill 31.

Own Association, Weissman Urges

(CONTINUED FROM PAGE 1)

successfully excluded underwriters from social security, why did not the trustees of the National association send their representatives before the board to demand the inclusion of the agent under the act? Was this in the underwriters' interests or subservience to management?

Who Hired Unfit Agents

"If there are hordes of unfit agents in the business, and there are, who hired them? General agents and managers, of course. Why? For one or two reasons; either they approve the system or they are incompetent. Those general agents who approve the system do so because it provides security against financial loss to themselves and the company, since the agent holds the bag. But whether they approve the system or are incompetent, it is apparent that they are disqualified from representing the agent when they are directly responsible for injuring his interest.

Says G. A.'s Not Field Men

"General agents and managers hire and fire agents. Only in life underwriter associations can you find the paradox of the employer purporting to represent the employee in intra-company relations. Throughout American industry the principle is recognized that the employer cannot represent the employee.

"That general agents and managers belong to the field is not true. They are projects of management into the field with the incidental license to sell life insurance personally. But they are not field men, just as the company executive who picks up commissions is not a field man. The general agents and managers have one foot in the field and one foot in the home office, but it is the right foot which is in the home office. They must not be allowed to belong to both camps. You might as well engage a railroad lawyer to represent you in a claim against the railroad.

"Managers enjoy social security benefits, but have not demanded that they be extended to the agents. General agents have a personal, financial interest in excluding agents from social security because, unless the company should assume the employer's contributions, general agents under the terms of their contracts would be required to contribute towards the cost.

Agents Compensation

"A new system of compensation for agents has been devised by management and is now under consideration. Whether this plan is good or bad, sound or unsound, this much is certain, the agents of America are the ones most vitally affected, yet there is no agents' organization as such which can protect the agent's interests. Any change in agents' compensation will affect the personal, financial interest of the general agent because of the nature of his own contract, so that he cannot view the agent's problem independent from his own financial interests. These are not the only conditions which prove that the general agent cannot represent the agent but they are sufficient. The control of agents' associations by general agents and managers corresponds to a trusteeship which is coupled with a self-serving interest. The National association is actually a menace because it is being used to bring about inadequate compromises so that you will accept less than is your right in the solution of your problems and the achievement of security. In their present structure, the associations are almost exclusively mediums for institutional advertising to the agency force." Summing up his observations on the functions of the local life underwriters' associations Mr. Weissman said: "The associations are much like a man dressed in evening clothes, but God how he needs a bath!"

Advocating the formation of an association exclusively for agents, Mr. Weiss-

man said: "What is the answer? Does it lie in occasional promises or changes in company rules? The real solution is far more fundamental. It requires that the agents unite in an organization of their own with their own elected representatives and without interference direct or indirect from management or general agents. When that has been done, you will then have a situation in which each member group functioning in the service of policyholders can express their side and their convictions and their conceptions of the interests of policyholders without supervision or frustration by any of the other groups."

Comments on Agents Union

Commenting upon, but not necessarily advocating the formation of an agents' union, Mr. Weissman said: "Management has its unions. They are called the Association of Life Presidents and the American Life Convention. General agents and managers have their local unions and even their special section in the National association. You as agents cannot belong to nor are you admitted to the deliberations of these groups. Each of them guards well what it believes to be their own interests. There is only one group in the institution of life insurance which is not united in its own interests and that group consists of the life underwriters of the nation.

FRIENDLY SOLUTION

"However, speaking as one who is actuated by a single motive—the furtherance of the best interests of the institution of life insurance, with equal justice to all its component groups—I believe there is a better way than the formation of a union. I believe that family problems can be settled within the family if there is an honest disposition on the part of the heads of the family to co-operate. On the other hand, if the agents cannot take over their association because management and general agents prevent it through obstructive methods, then there will be only one unhesitating alternative, the formation of a union."

How to "Take Over"

Outlining the way in which the agents might take over the National association, Mr. Weissman said: "How can the underwriters who comprise 85 percent of the membership take over the National association which is supported and operated chiefly by their money? The method is simple. Career underwriters must assume the leadership for it is their policyholders which are at stake. They must be willing to devote some time and energy to this crusade, which is not entirely unselfish because the continuance of the present system menaces them with the same destruction that has befallen so many thousands of victims already. Every association officer and every national committeeman elected in the future should be an underwriter and when the national council is controlled by underwriters who are alive to the issues they should then proceed to elect national officers and trustees who also are underwriters and who are elected not because of business prestige or sales ability but because they are recognized as men of ideals and courage whose only motive for candidacy is to serve the best interests of the underwriters of America.

"Then the by-laws of the local and National associations must be amended so that no one who belongs to management in a supervisory capacity or as a general agent or manager shall be eligible for membership. They now have their general agents and managers associations and sections. That is where they belong. In those spheres of activity in which the general agent and the agent have common interests such as inspiration, education, and certain

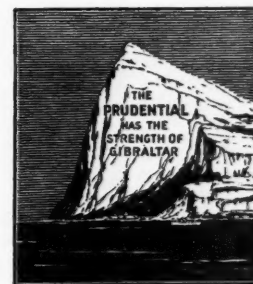


You Can't Write Tomorrow's Page Today

The most significant pages of any diary may be those which at the moment are blank. They will hold the stories of the tomorrows of life. What these will be, nobody can foretell.

But man is privileged to do one thing. He can provide, through life insurance, a specified income for his dependents if he fails to survive them, or an income for his own later years if he lives.

It is the life insurance agent's privilege to carry this message of reassurance to the breadwinners of his community.



The Prudential
Insurance Company of America

Home Office, NEWARK, N. J.

types of legislation, there need be nothing to interfere with their respective organizations joining hands for their mutual benefit."

After expressing disapproval of the attitude of management toward social security for agents and toward other New Deal reforms, Mr. Weissman said: "There is a strong conviction that life insurance presidents in boards of directors are too much in sympathy with those who have been most active in resisting the extension of social justice to the American people. That this should be true of boards of directors is understandable as they are largely drawn from among the most successful men in American business and finance. But it will not be seriously urged that they as a group reflect the social philosophy of the policyholders who are in turn the American people, and it is a defect in the operation of the institution that the agency force, which does reflect the thinking of the policyholders, has no influence in shaping the outlook of management. In view of the demonstrated record of management as observed and experienced by the field force, underwriters are warranted in saying to management, 'We like your personal charm, we respect your ability, we salute your integrity, but we disagree with your social philosophy.'"

New York Life Emphasizes Economic Angles in Report

In presenting its annual report to policyholders the New York Life places a special emphasis on the economic importance of life insurance to the average individual. Because of the complexities of the present economic situation it is important that a life company be able to promptly meet all of its contractual obligations to policyholders and beneficiaries when they fall due. This necessarily has to be an important consideration in making loans or investments, it states.

Savings of policyholders are not stagnant or idle, they are turned back into the blood stream of the national economy and render a public service. In analyzing its bond holdings the New York Life points out in referring to public utility bonds, for example, that these investments aid in providing people with electric, gas, communication and other services.

An explanation is given why most of the bonds are of large corporations because small borrowers do not, or cannot issue bonds which are eligible and practical as investments for a life company. In emphasizing the fact that it is rendering a service to small borrowers as well as large, it points out that about 87 percent of mortgage loans are for less than \$10,000 each while 60 percent are for less than \$5,000 each.

A chart shows the classifications of the assets including 27.83 percent U. S. government bonds, 14.7 percent first mortgages, 11.7 percent public utility securities, 10.78 percent policy loans and 9.94 percent railroad bonds and 8.86 percent state, county and municipal bonds.

Causes of death of the 16,962 policyholders who died in 1940 show that 6,199 died from heart disease, 2,458 from cancer and tumor, 1,687 from apoplexy and 1,102 from accidents. A break down is also given of death claims by ages and occupations. Insurance in force and payments to policyholders and beneficiaries by states is reported.

Quarter Million Club to Meet

DES MOINES—The Iowa quarter-million dollar club organized last year will hold its spring meeting and elect new officers at Waterloo April 7. L. P. Schwinger, Northwestern Mutual, Waterloo, is chairman, and V. S. Eagan, Bankers Life of Iowa, Des Moines, secretary.

The club will also meet at Cedar Rapids in June during the annual meeting of the Iowa Association of Life Underwriters.

Government Moves to Get Cash Values

Starts Action on Life Policies in Chicago to Collect Income Tax

Only life insurance proceeds payable at the insured's death to a named beneficiary are exempt from claims of creditors, it was emphasized by action taken by the government in Chicago to seize the cash surrender value of a life policy to satisfy a lien for delinquent federal income taxes.

This is one of the few times the government has taken such action. The Chicago case was predicated on a New York case in which, while the government lost the decision because the assured had died and title to the policy proceeds had passed to the beneficiaries, the court indicated if the assured had been alive and the suit had been for the cash value the government might have had a case.

Asks Assignment, Surrender

In the Chicago case, notice of intention to sue was filed in the federal district court, involving Adelbert Brown, River Forest, Ill., attorney; his wife, two daughters and the New York Life, which issued the two policies, but service was not completed this week.

The claim is for \$755 plus interest on the 1934 tax, due to alleged improper deductions in the return. The government demands that Brown and his beneficiaries assign the policies to the government and that application for surrender of cash value be made to the New York Life.

The government claims it has "superior rights" to the surrender value in income tax matters. It was likely Brown would settle the matter out of court and the case would not go to a test. The attorneys, Scott, McLeish & Falk, of the New York Life in Chicago are watching developments closely, as are local counsel for many other life companies.

Company Refused to Act

The government's search of Brown's assets, it was pleaded, disclosed that he had nothing to levy against except these two life policies, with a total cash surrender value of \$720. The government filed a lien against these policies and it was said notified the New York Life, which refused to surrender the cash value. Brown had paid \$14 of the tax.

Life insurance attorneys say the ordinary rule in regard to life policy values is that after death of the insured the proceeds, under practically all the state laws, are exempt from claims of creditors, including claims of the government, which has no superior standing as a creditor in law.

However, during the lifetime of the insured the cash surrender value can be reached by creditors if the insured becomes bankrupt. This falls under the federal bankruptcy laws which provide that the cash value of life policies shall pass to the trustee in bankruptcy. In actual practice, however, it is usually found the policyholder can claim exemption for such policy values because they are usually in an amount no greater than the exemptions which he is allowed by state laws.

Garnishment Rarely Used

While garnishment proceedings can be instituted against the policyholder during his lifetime by creditors to secure the cash surrender value of his policy, this is a difficult procedure which is usually not resorted to.

However, in cases involving alimony and creditors bills in equity based on judgments, it has been possible in some instances and some jurisdictions to compel the assured to apply to his life company for loans on his policies or for the cash surrender values. In some instances this has been done in

bankruptcy cases by appointment of a receiver. It is said a receiver's right to make such application is inferred in the federal bankruptcy act, if not specified, but in practice it is usually necessary to proceed through the policyholder's voluntary application to his company.

The alimony and creditors' bills in equity proceedings are unusual and extraordinary, it is said, and attorneys for creditors rarely resort to these steps.

Status Generally Misunderstood

There seems to be a popular misunderstanding, life insurance attorneys say, that life insurance values generally are exempt from all claims. During the insured's lifetime his life insurance policies are considered to be his property, therefore, in law at least, subject to the laws and court interpretations relating to property. The difficulty encountered by creditors in securing these values have been largely procedural yet suits to attach or secure life policy values during the assured's lifetime are not uncommon and in some instances have been successful.

A rule laid down by many court decisions throughout the country is clear that when the assured dies his life policy proceeds leave his estate and go to his beneficiary but in such case it is clear they are not subject to claims against his estate, nor except in rare instances is his beneficiary obliged to satisfy such claims from the policy proceeds. If there was a clear case of the insured's contemplation of debt avoidance through the medium of passing his assets to named beneficiaries through life policies, a court might find the beneficiaries obliged to pay the policy proceeds on debts of the estate.

Theory on Cash Values

Life insurance attorneys say it is accepted that the cash values, or cash surrender values, in a life policy do not exist until the insured makes application for them. Until that time, the reasoning goes, these values are merely options which he may exercise if he wishes. Therefore in such cases the insured must either voluntarily apply for the values or must be ordered by court to do so. In line with this rather settled practice, the life company cannot act on its own initiative and answer directly to a request from creditors for surrender values but must wait for the assured's application.

The only issue in cases of this type is whether rights of the insured and beneficiaries or others must be heard. There is no contest over the government's power under federal law to secure a distraint order against the insured's property, including his life insurance, during his lifetime, to collect taxes due.

Only Two Cases Decided

However, attorneys say only about two cases have been decided sustaining the government in an effort to collect policy values. One was several years ago in Colorado, involving an annuity. A case is pending in U. S. district court in Pennsylvania in which it was held it was not necessary to bring the insured in to determine his rights, therefore judgment for the government is anticipated. This involves the Metropolitan Life.

The outstanding case, in which Columbian National Life is concerned, is now pending in U. S. district court in Massachusetts. Distraint was served against the company, which refused to turn over cash surrender value of policies and sought an injunction. The circuit court of appeals held the mere issuance of a distraint order was insufficient to compel the company to release the values, and, to collect, the government must sue. Such suit, it was emphasized, would determine the rights of all concerned, including beneficiaries—as the latter's rights could not be invaded.

Suit was started in U. S. district court by the collector against the com-

Son Succeeds Father as General Agent in N. C.

Francis P. Rasberry, Kinston, N. C., was appointed general agent by Volunteer State Life to succeed his father, the late J. C. Rasberry, who died in February. The father had been general agent at Kinston for 28 years.



F. P. Rasberry

The new general agent worked for the J. C. Penney Company then studied at University of North Carolina. After completing his school work, he worked for the Export Leaf Tobacco Company, and was offered a position in China which he rejected to enter life insurance work in 1937 as an agent associated with his father.

Medical Department Is Augmented

Enlargement of the staff of the medical department of National Life & Accident is announced.

Dr. Lloyd C. Miller of St. Louis becomes associate medical director, and Dr. Garth E. Fort of Nashville becomes assistant medical director.

Dr. Miller has been associate medical director of General American Life. He graduated from the University of Missouri and from Washington University school of medicine in 1925. He entered practice in St. Louis, following internship at the Jewish Hospital where he was a member of both the clinical and teaching staffs. He became interested in life insurance work in 1926 when he became examiner for Missouri State Life and in 1928 was made referee. In 1934 he was appointed associate medical director for General American Life. He has also been handling examinations for the four St. Louis offices of National Life & Accident.

Dr. Fort graduated from the Virginia Military Institute in 1935 and from Vanderbilt University medical school in 1939. His interne work was done in the Rochester, N. Y., General Hospital, and he returned to Nashville in 1940, joining National Life & Accident where he has been concentrating on underwriting matters.

The medical director, Dr. B. F. Byrd, was appointed to that position last year following the death of Dr. Rufus E. Fort, one of the founders of the company who had served as medical director from the beginning. He is serving a third time as secretary of the Medical Section of the American Life Convention.

Dr. G. E. Fort is a son of Dr. Rufus E. Fort. Another son, Rufus E. Fort, Jr., is assistant manager of the ordinary department.

pany alone and is pending. The two main points involved are whether, as the government asks, the amount granted in case judgment is rendered the government, should include interest back to the date of distraint order, and what shall be the Columbian National's position in case it is required to pay over cash surrender value and then later claim is made upon it by insured or beneficiary for this same amount.

The courts generally have held, that lacking such a factor as rights of beneficiaries and other parties at interest, the government's collection of taxes shall not be interfered with by injunctions or other legal processes.

It pays to get your own personal copy of The National Underwriter. Use the handy subscription card in this issue.

Broad Program for N. Central Ad Men

Keynote speaker at the north central round table of the Life Insurance Advertisers Association in Chicago March 27 will be Earl E. Sproul, vice-president Western Newspaper Union. The Union supplies editorial features to 3,000 rural newspapers, and Mr. Sproul has been making an independent study of the public relations problems of life insurance companies. He will give conclusions and suggestions as to what life insurance can do to improve its position with employees, policyholders and the public. Discussion of the subject will follow.

W. T. Plogsterth, Lincoln National, will lead the panel discussion on how to improve relations with home office employees, policyholders and the public, on the afternoon of March 27.

On March 28, morning, George Pease, Equitable of Iowa, is leader of the panel on direct mail. R. S. Walstrom, Continental Assurance, will head the discussion of merchandising sales promotion; Eula M. Enochs, American United, humanizing premium notices, receipts, and enclosures, and E. S. Westcott, Bankers Life of Nebraska, publications to agent.

Additional panel subjects are contests, calendars, and conventions. The conference will adjourn at noon.

Russell B. Reynolds, American Mutual Life, is presiding at the session. C. S. Davis, Provident Mutual Life, president of the association, will give a message of welcome.

National Life, Vermont—A jump of 50 percent in the sale of new life insurance for the first two months of 1941 over the same two months of last year is reported. In January the increase was 72.37 percent, in February the gain was 29.67 percent. Insurance in force has increased \$5,801,346 for the first two months.

Federal Life Agents Meet in Florida

The Federal Life agency clubs will hold their annual convention at Hollywood, Fla., for two days next week. A large delegation will attend from the home office, including Isaac Miller Hamilton, board chairman; L. D. Cavanaugh, president; George Barmore, vice-president of agencies, and S. R. Keare, vice-president and assistant superintendent of agencies.

Robert Ginsburg, manager St. Louis agency, is president of the 1940 Inner Circle Club; and Sig Lipman of the St. Louis agency, vice-president. J. R. Oxenhandler, St. Louis; G. E. Chappell, manager, Elkin, N. C., retiring president Federal Life Club; R. S. Pope, Bay City, Mich., state manager, retiring president Inner Circle, and S. R. Cooper, associate manager Central Agency, Chicago, all qualified for the Inner Circle.

Federal Life Club Officers

H. L. Russell of the Reed agency, Marshalltown, Iowa, is president of the 1940 Federal Life Club; H. M. Simpson, Denver manager, first vice-president; F. E. Reed, Marshalltown, Ia., manager, second vice-president.

Mr. Chappell will preside at the first business session Tuesday and there will be talks by Chairman Hamilton, President Cavanaugh and Vice-president Barmore. President Cavanaugh will tell the federal preparedness plans of Federal Life. Mr. Hamilton will extend welcome, and Mr. Barmore, who is secretary Federal Life Club, will handle the details.

R. S. Pope, president 1939 Inner Circle, will talk on contests and clubs as incentives, and Manager Ginsburg on writing life insurance at night. There will be a discussion by Messrs. Ginsburg, Lippmann and Oxenhandler of the St. Louis agency.

The second session Tuesday will be

presided over by H. L. Russell; L. N. Parker, president American Service Bureau, will discuss inspection service; L. H. Baxter, manager Central agency, Chicago, a new plan of mortgage insurance for wholesale distribution, and Associate Manager Cooper the same plan for personal solicitation; Theodore Walter, Voorhies agency, Chicago, keeping it on the books, and a discussion will follow led by Manager H. C. Voorhies. E. H. Cornberger, manager LaSalle, Ill., agency, is on the program and Vice-president Keare will discuss personal and social security.

A bridge tournament and fishing party are scheduled.

Other Detail of Program

Manager Ginsburg will preside Thursday morning, with talks by C. E. Chappell, on presentation and prospecting, and H. L. Russell. Discussion will be led by F. C. Reed, and there will be a talk on opportunities this year by Vice-president Barmore. A "Take It or Leave It" quiz program will end the session.

Vice-president Barmore will be toastmaster at the banquet and the President's trophies and awards in the golf and bridge tournaments will be given. Chairman Hamilton will report on his South American trip by air.

The President's trophies for leading life and accident and health agencies will be awarded to Managers Ginsburg and Reed and the Hamilton trophy, provided by Chairman Hamilton, to be competed for annually, will be unveiled.

Mr. Hamilton, who is completing a six-week air tour of South America, will arrive in Miami by Pan-American Clipper March 24, in time to attend the first business session. He is accompanied by Manager Pope of Bay City.

Don Semans Nebraska Speaker

The largest attendance in the history of the Insurance Institute of Nebraska heard Don Semans, chief underwriter and assistant secretary of Lincoln Na-

Lincoln National Reduces Lien on Royal Union Life

The fourth reduction in the lien against values of policies of the former Royal Union Life of Des Moines has been made by Lincoln National Life, which took over business of Royal Union in 1933 under a management contract.

This latest reduction, 4½ percent of the lien on Dec. 31, 1940, applied to all policies in force and subject to lien on that date. The lien reduction amounts to \$314,746, including approximately \$29,000 to be paid holders of matured policies.

Under terms of the reinsurance agreement, liens will be waived in case of death occurring prior to Dec. 31, 1943, and policies will share in further lien adjustments until Dec. 31, 1948.

tional, discuss "The Agent and the Underwriter," at the meeting in Omaha. Mr. Semans was introduced by Harry Simons, chief underwriter of Bankers Life of Nebraska. President Lehmkuhl, secretary American Reserve Life, presided.

Mr. Semans stressed the need for cooperation between the agency and underwriting departments. "The agency department," he said, "acts as a liaison between the man in the field and the underwriting department. A good agency department is a live, dynamic force and should not be expected to become a shrinking violet in its dealings with the underwriters."

In the discussion, it was the consensus that there is a need for a better understanding by the agents for the problems of underwriting.

Arthur Larsen, recently appointed actuary of United Benefit Life was a guest.

Just the thing to convince hard boiled prospects—"24 Men in 24 Years," 8 book-lets \$1 from National Underwriter.

★ ★ FRIENDLY ★ PROGRESSIVE ★ STRONG ★ ★

THIRTY-SIXTH ANNUAL STATEMENT

ASSETS		LIABILITIES	
Bonds		Policy Reserves	
U. S. Government	\$7,839,903.04	Additional Policy Owners Funds	\$69,220,790.00
State, County and Municipal	12,322,711.81	Premiums and Interest Paid in Advance	1,137,157.39
Federal Land Bank	798,616.15	Claims Not Yet Completed or Reported	827,465.04
Rail Road	1,838,613.88	Reserved for Taxes	680,662.68
Public Utility	4,209,369.97	Miscellaneous Liabilities	405,847.35
Industrial	5,358,712.81	Total Liabilities	845,491.88
Other Bonds	365,402.79		
Total Bonds	\$32,933,330.45	Capital Stock	\$2,000,000.00
Mortgage Loans	18,317,196.25	Investment Contingency Reserve	2,500,000.00
Cash	17,291,242.96	Special Reserve	1,000,000.00
Stocks	5,380,072.98	Surplus	10,547,983.44
Policy Loans and Premium Notes	6,089,869.67	Surplus Protection to Policyholders	\$16,047,983.44
Collateral Loans	160,502.85	Total Assets	\$89,165,397.78
Real Estate, less depreciation reserve	6,235,803.31		
Real Estate Sold Under Contract	703,269.85		
Interest Due and Accrued	1,747,768.61		
Deferred and Uncollected Premiums	163,096.70		
Other Assets			
Total Assets	\$89,165,397.78		

The market value of Bonds as of December 31, 1940 is \$2,000,000.00 more than the amount carried in this statement.

The market value of Stocks as of December 31, 1940 is \$2,500,000.00 more than the amount carried in this statement.



American National INSURANCE COMPANY

GALVESTON, TEXAS

W. L. MOODY, Jr., President

A-C-41-328

Life Security Fund Proposed by Pink for N. Y. Companies

(CONTINUED FROM PAGE 1)

1936 report, in which he said: "We are concerned not so much with preventing insurance company failures as we are with neutralizing the evil consequences therefrom to the insuring public. In general, why should not the insurance industry as a whole in one way or another absorb the losses which the public must otherwise bear by reason of the occasional... failure? In an ultimate sense the public must pay for this protection as it does for the specific insurance coverages which it buys. But the cost would be infinitesimal in comparison with the advantage to those who would otherwise merely have a claim against an insolvent company."

COUNSELOR ISSUE

The possibility that "insurance counselors" have about worked themselves out of the insurance picture is suggested in Mr. Pink's report.

In 1939 counselors were at their peak with approximately 100 organizations in business. Now there are only about 20, and some of those are conducting business on a very limited scale.

Fees which counselors themselves admit charging policyholders are much less than those in cases brought to the attention of the department by complaints of policyholders, Mr. Pink asserted.

He recommended for dealing with counselors only such legislation as will permit the department to prohibit "service organizations" from using the phrase "supervised by the insurance department of New York," or comparable phrases.

Law Unsatisfactory

An amendment to the New York law last year requires organizations which furnish information or advice to assured to file with the superintendent such information as he may require. They were made subject to examination by the superintendent, but he was given no power of regulation, control or supervision. Counselors promptly began advertising they were under supervision of the department, which led to the assumption by many people they were subject to the same control as life companies.

The attorney general ruled that counselors are "service organizations" under the new law. Mr. Pink then sent out questionnaires to all counselors. Refusal of one of the most successful counselors to answer the questionnaire has been referred to the attorney general.

The questionnaires disclosed that counselors, now about 20 organizations, fall into two classes: a group of 15 which do only 5 percent of the total business, and a group of five doing 95 percent. In the year ended Sept. 30, 1940, those in the first class serviced about 3,000 cases and received around \$15,000 in fees. Of this amount about \$8,000, or 53 1/3 percent, was spent in advertising—mostly direct mail and newspaper.

In the same period the five large organizations serviced 12,000 to 15,000 cases and received fees of approximately \$300,000, nearly \$100,000 of which was spent in advertising, chiefly radio, in both English and foreign languages.

The average fee charged, according to answers in the questionnaires, was from \$20 to \$25. This is much less than fees charged in a majority of the cases called to the attention of the department.

One counselor was sued 68 times in 12 months by policyholders seeking return of fees. Forty-six suits involved fees in excess of \$25. Of 41 suits settled, 19 were in favor of the adviser, eight in favor of the policyholder.

Half Not Insurance Men

Approximately half the individuals heading these "insurance advisory organizations" were never licensed by the department and apparently had no prior insurance experience. The balance were mainly former agents for industrial companies.

Mr. Pink believes counselors have stimulated a greater diligence in advising and servicing policyholders on the part of agents and companies to whom Mr. Pink assigned part of the blame for the rapid rise of counselors.

Possible need for an advisory service for policyholders on a wider scale should be met by the industry itself. Mr. Pink does not believe the department should take on any more responsibility in this respect.

Most of the business of counselors has been obtained from industrial policyholders, people of very modest means who cannot afford to pay substantial fees. The payment of such a fee in itself is often a hardship and the situation becomes even more serious in those instances where the advice given has resulted in the loss of valuable advantages and privileges.

With counselors declining in number, Mr. Pink believes the legislature should wait a year for any legislative action, when the department will know more definitely whether or not licensing and supervision is the best course to follow.

Medical-Hospital Organizations

It has been suggested that the law be amended to require non-profit medical indemnity and hospital service organizations to have some specified amount of surplus as a condition of licensing, say \$25,000. They need several thousand dollars for organization and early operating expenses. The department feels that any applicant for a license should have at least \$10,000. Five-year experience of these organizations shows that the average person spends one day per year in the hospital. In other words, the human body is laid up once every ten years for major repairs requiring 9 1/2 days of hospitalization. Sickness is most prevalent in January, February, March and April. Fewer people receive hospitalization in December than in any other month. Experience for September is almost as favorable as that for December.

INDUSTRIAL FIELD

Substantial decreases in lapsation of industrial insurance, a shift from weekly to monthly industrial and from industrial to ordinary and improvement in the turnover of industrial agents are trends which make the outlook for this type of insurance encouraging, said Mr. Pink's report.

Probably little more can be done in way of legislation to improve this field. He reviewed legislation enacted in the last two years affecting policies, expense, commissions and agency standards.

Improvement in the future must come largely from improved management, better educated and trained salesmen and increasing effort to sell the right kind of insurance to the right people in the proper amount. The social security program will not, Mr. Pink believes, replace industrial.

"It would be unfortunate to place all of the emphasis upon government help. People must look after themselves and not depend too much upon government aid."

Business Changing

A comparison of the business written in 1938 with that written subsequently (when the new laws affecting industrial were operative) shows more ordinary insurance and less industrial, more monthly and less weekly, more on adults and less on children and more whole life and less endowment.

Turnover among agents has been de-

creasing rapidly in recent years. For Metropolitan it amounted in 1939 to only 8 percent of the average number of agents. Nevertheless, the total number has been decreasing. The high point was reached in 1931 with about 23,000. In 1939 there were about 20,000—a decrease of roughly 11 percent in eight years. The average weekly compensation of agents reached a high point of \$53.20 in 1937 and decreased to \$51.70 in 1939.

The shift in type of insurance plus a further substantial increase in "office account" business where the insured pays premiums directly to a district office and so obtains a refund, mean less need for agents. Office account business probably will continue to increase for some time, but there is a practical maximum for it because it is more convenient, and in many cases less costly, to have an agent call to collect. In many cases premium payments would not be made at all except under stimulus of the agent's regular call. Yet figures seem to indicate a trend toward a smaller number of agents.

Mr. Pink stressed the importance of agents' training, requirement of an ex-

amination for licensing, improvement of the standard of agents through the C. I. U. and other means. The changing character of industrial insurance and the apparent end of the long period of increase in the total number of agents in the field does not mean that the business of industrial insurance is entering a period of decline, according to Mr. Pink. Rather it appears that the business is being directed into new channels. The future will probably see more premiums being paid monthly or to a district office, greater emphasis on insurance of the bread winner rather than of children, and a substitution of whole life for endowment insurance.

Opposes Higher Bank Limits

Possible effort of banks to secure removal of the \$3,000 limitation on savings bank life insurance is not regarded favorably by Mr. Pink. He believes the real function of such insurance is active service in competition with the industrial field. He emphasized the encouraging character of the large number of policies of \$500 or less.

Savings bank life insurance requires a physical examination, which makes it considerably more selective than industrial companies. In spite of criticism, this factor is probably necessary if cost of such insurance is to be kept down.

Mr. Pink commented favorably on the

ANNIVERSARY YEAR

\$162,210,000 HAS BEEN PAID THROUGH THIS DOOR TO POLICYOWNERS AND BENEFICIARIES DURING THE PAST 90 YEARS

**\$89,139,000 TO LIVING POLICYOWNERS
\$73,071,000 TO BENEFICIARIES**

EIGHTY-NINTH ANNUAL STATEMENT

DECEMBER 31, 1940

Assets		Liabilities	
Cash on Hand and in Banks....	\$ 3,334,452.29	Reserves, including Funds on Deposit	\$63,271,975.30
Bonds, including Accrued Interest	27,245,178.28	Claims in Process of Settlement ..	160,955.53
Stocks	723,190.00	Accrued Liabilities	334,299.64
Real Estate Mortgages, including Interest Due and Accrued	13,503,907.99	Dividends Apportioned	645,000.00 (12 months)
Loans on Policies, including Interest Due and Accrued	9,313,178.88	Reserves and Unassigned Funds ..	1,715,356.34
Real Estate, including Rents Due and Accrued	10,538,912.96		
Premiums Deferred and in Course of Collection	1,319,947.73		
Miscellaneous Assets	9,857.81		
	\$66,188,625.94		
Less:			
Mortgage Loan Funds in Escrow and Suspense Account ..	\$ 61,039.13		
Total Admitted Assets	\$66,127,586.81	Total Liabilities	\$66,127,586.81
Income	\$ 11,734,721.58		
Disbursements	9,529,195.32		
Balance added to Policyowners' Funds	\$ 2,205,526.26		
Insurance in Force as of December 31, 1940	\$216,551,392.00		

"Ask any **BERKSHIRE** Associate"
LIFE INSURANCE COMPANY

INCORPORATED 1851

F. H. RHODES, President

PITTSFIELD, MASS.

large number of colored people accepted by savings banks since they have great difficulty in getting insurance in regular companies because of a higher mortality.

Examination of several savings and insurance banks in 1940 indicated improper allocation of expenses between the savings and insurance departments of the banks concerned, Mr. Pink stated. This should be remedied.

GROUP LIFE FUTURE

One criticism of group insurance has been that while it has done an excellent job it does not provide for any vested equity, particularly paid-up insurance. It would be more coincident with real social security if an employee insured under a group contract could contemplate that upon normal retirement or inability to work any longer there would at least be a sufficient amount of continuing insurance to provide for a decent burial.

At present the right is given to an employee upon retirement or termination of employment to convert to an individual policy. The conversion right is theoretically sound but it is questionable whether it is of real practical value to many retired or unemployed persons, by reason of the imposition of additional expense at a time when they are least able to meet it.

Last year a company asked the department about experimenting with a refinement to the usual group contract, whereby part of the premiums would go each year to purchase small units of paid-up insurance. The idea was to provide at retirement, termination of employment, or cessation of the group contract for some amount of paid-up protection. This suggests itself as a forward-looking feature and, if made generally available, would obviously add to the security value of group insurance.

Individual Policies Possible

It may be practicable to insure large groups with the issuance of individual policies to each employee, the insureds and employer equitably dividing the cost. Such contracts would be comparable with individual policies.

Variations in the group procedure designed to liberalize and to make more continuing the insurance benefits will have a tendency to increase cost. But most employers who buy group insurance are inspired by the social aspects of the movement and should be permitted to go as far in that direction as their judgment, resources, and the soundness of plans devised will permit.

While there is some danger in going too fast, conservative experimentation on the part of the companies is certainly to be encouraged. It may be possible to extend group insurance into newer and still wider fields which will have a substantial effect upon the working people. Liberalizing and expansion of the group insurance structure lends itself to the social trends of times in providing more substantial and adequate protection for a greater number of people.

Connecticut Mutual Clinic on Advanced Underwriting

(CONTINUED FROM PAGE 2)

information about the prospect as possible. It will be helpful in analyzing the need. Once the need has been discovered and analyzed, it is not too difficult to make the sale," he said.

Prestige, Contacts Important

Paul C. Sanborn, Boston general agent, pointed to the importance of prestige and contacts when selling business life insurance. "It is useless, in fact dangerous, to discuss your proposition with anyone in the firm other than the one who has the power to make the decision, and unless you have prestige or a strong contact with

that person, it is futile to proceed," he said.

Two representatives of the legal department, Lelia E. Thompson and A. S. Potwin, discussed income and trust settlements and recent developments in life insurance taxation, respectively.

Miss Thompson analyzed the changes which the Connecticut Mutual recently introduced in its income settlement service. One point covered is that the new agreements no longer automatically terminate at the death of the payees. A final distribution clause has been inserted, and as a result the agreement, besides providing for income distribution, also serves as a policy change in benefit. Miss Thompson also explained that the new agreement forms have been made more understandable to the prospect through simplification and standardization.

In stating that there are many arguments that have sales appeal in connection with life insurance, Mr. Potwin pointed out that in addition it is important that agents know the fundamental principles so that they can render full service and gain confidence of their prospect. By chart method, Mr. Potwin explained the Winslow decision by the U. S. circuit court of appeals relating to the income tax on death proceeds and recent rulings on the income tax at endowment maturity. In explaining the new estate tax regulations, he pointed out that there are two important considerations, the payment of premiums and the retention of ownership—that either one or the other would create estate tax liability.

Wage-Hour Unit Makes Statement

(CONTINUED FROM PAGE 2)

better financial health for the insurance world.

The wage and hour law requires the payment of not less than 30 cents an hour to all covered employees. It further requires that overtime compensation of not less than time-and-a-half the usual rate be paid for all hours worked over 40 in any single work week. There is no limitation on the number of hours any employee may work so long as the legal overtime rate is paid.

Basically, this overtime rule was designed by Congress to spread work—to require employers who have more work than can be done in a normal work week to hire more people. Some criticism has been directed toward this requirement. It has even been said that much hardship is worked on many employers by its operation. The fact remains, however, that even under the most conservative estimates there are still some six million unemployed in the United States. And until these have been put to work there should be no necessity for overworking those who are already employed, the division asserts.

Not All Are Covered

Not all employees engaged in interstate commerce are covered. All agricultural workers are exempt from its coverage. Congress also empowered the administrator to grant further exemptions in certain cases.

Some of these exemptions are applicable in the insurance field. A physician, for instance, employed in his professional capacity, generally is exempt. Likewise a dentist or a lawyer, professionally employed, would generally be exempt. Other professional personnel for whom professional exemption is claimed must meet all the professional requirements outlined in the administrator's official definition, including the requirement that they be paid at least \$200 per month on a salary or fee basis.

Executive and administrative employees may also be exempt. The duties of the executive must be in line with certain rigid requirements—all of which must apply and not just one or two—and administrative employees may be exempt also under stated conditions. Among

other things, executives must receive not less than \$30 a week on a salary basis, and executives at least \$200 a month on a salary or fee basis.

Telephone operators, bookkeepers, clerks, cashiers, and the like, are considered as performing duties necessary in the transaction of interstate commerce. Usually, an insurance salesman would be exempt under the administrator's definition of "outside salesmen."

Usually, if a branch or agency is established beyond the state in which the home office is located, coverage for that branch or agency would be indicated.

Fines Up to \$10,000

Congress provided penalties for violation of the wage-hour law. It authorized fines up to \$10,000, and imprisonment up to six months for second or subsequent offenses. In addition, it authorized the courts to grant full restitution of back pay to any injured employee, plus an equal amount as liquidated damages, plus an additional sum to cover reasonable attorneys fees and court costs.

During recent months, the wage and hour division has conducted a series of industry-wide drives toward mass compliance with the act. It has made thousands of inspections in factories and commercial concerns. Many flagrant violations of the wage and hour provi-

sions were uncovered, with resulting restitution of back pay to thousands of employees, the division states.

Infractions of the record-keeping requirements of the law have been found. The Supreme Court recently upheld the right of the wage and hour division to inspect payroll and associated records.

To aid employers and to secure compliance the wage and hour division has established offices in major cities. The directors of the 14 regions under the division and the managers and other personnel of all branch offices are always available and ready to assist and advise in the determination of coverage and to give authoritative information as to employers' obligations in specific cases, the division states.

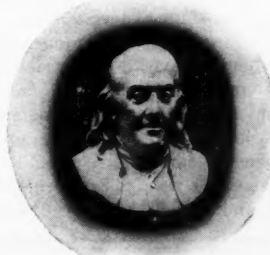
Kemp Sees Great Opportunity

LOS ANGELES — Speaking on "What's Ahead" at the opening session of the annual business clinic of the Los Angeles Junior Chamber of Commerce, President A. N. Kemp of the Pacific Mutual Life described the present business outlook as one which paralleled that existing during similar periods of the world's history. From the problems arising incident to a general war, and the period of readjustment at its close, he visioned new horizons of opportunity for younger business men.

Life Agents have ALWAYS needed . . .

a contract like this. It's a pat answer to the man who objects, "I have all the insurance I need. From now on I'm going to invest my money for my own old age."

With sentiments like these, Franklin agents welcomed the new Franklin GUARANTEED LIFE ANNUITY. Their prospects—and policyholders—were equally enthusiastic. Another outstanding addition to the Franklin line of extremely salable contracts, this short term pay annuity makes money for agents because it fills a long-felt and easily recognized need in every man's financial set-up.



The FRANKLIN LIFE INSURANCE COMPANY

SPRINGFIELD, ILLINOIS

CHAS. E. BECKER, President

57 Years of Distinguished Service . . . Founded 1884

EDITORIAL COMMENT

N. Y. "Times" Sides with Mr. Parkinson

LAST December the ordinarily serene sessions of the Life Presidents' Association were slightly ruffled when one of the headlined speakers, Administrator Jesse H. Jones of the Federal Loan Agency, took occasion to criticize President T. I. Parkinson of Equitable Society for having said in a talk some weeks before that Reconstruction Finance Corporation competes with non-governmental lending agencies. Mr. Parkinson has not replied to Mr. Jones, but neither has he receded from his position.

That Mr. Parkinson was not alone in thinking the RFC has been making the job of the private institutional lender more difficult than it would otherwise be is shown by a recent editorial in the New York "Times," which drew a reply from Mr. Jones. In publishing Mr. Jones's reply the editor appended a note reiterating its original criticism of the RFC for driving down interest rates and invading the field of private investors.

The "Times" editorial, captioned "RFC Makes the Market," was based on the purchase by the RFC of the entire \$136,330,557 refunding issue of bonds of the state of Arkansas, thereby completely excluding a banking syndicate which was preparing to participate in the financing. Mr. Jones decided to have the RFC take the entire issue at an average rate of 3.2 percent because the 3.5 percent rate which the syndicate wanted on the portion it was planning to take was in Mr. Jones's opinion "too high for a tax-exempt bond of a sovereign state."

The gist of Mr. Jones's reply to the "Times" was that the RFC's taking the entire issue at 3.2 percent interest resulted in a saving of \$28,000,000 in interest to the state over the life of the bonds, as compared with the bonds

which were being refinanced. If the bankers' figure had prevailed the state's saving would have been only about \$14,000,000. Mr. Jones also stressed the desirability of the refunding, since it made available to the state several million dollars annually for much needed road work, which the state would otherwise not have.

While welcoming Mr. Jones's comment, the editor of the "Times" observed that nothing in it invalidated the point of the editorial: "That in a transaction involving no emergency of any kind, the RFC, backed by the huge resources of the government, overruled the judgment of private investment bankers and imposed its own 'yardstick' of what interest rates for a 'sovereign state' should be. The RFC shaved the rate asked by the bankers by .3 of 1 percent. It could have saved the state twice as much had it shaved the rate .6 of 1 percent. But the inevitable tendency of such a course, as the editorial said, is to reduce the banking community to the function of absorbing government bonds while the government uses the money to do what should be the business of private finance."

Mr. Parkinson and the "Times" have put their fingers on a trend which may have important implications for life insurance net costs, for what the companies can earn on their investments has a very close relationship to what insurance costs the policyholder. In the course of his letter, running more than half a column, Mr. Jones failed either to show that the RFC was doing anything other than overruling private investment bankers or that there was any emergency or other plausible reason for doing so except the federal loan agency administrator's notions of what interest rate it is right and proper for a sovereign state to pay.

Courageous Position of President Douglas

ALL students of life insurance, all observers and those that keep in touch with what is going on found in the report of President L. W. Douglas of Mutual Life of New York a most unusual document. It was different from any report to policyholders that we have seen. It was forthright and courageous. It left nothing to suspicion. It clearly told some of the weaknesses in the Mutual Life's structure and then explained how these were being buttressed. It was a truly realistic document and it will

leave an impression that is lasting.

President Douglas has not minimized any of the organic weaknesses or problems that he finds confronting him. He does not assume anything like a defeatist attitude. He views the situation with a clear, piercing eye and after analysis of all the facts he has a remedy. President Douglas, therefore, has a plain, clear program ahead and it will redound to the credit of Mutual Life.

President Douglas undoubtedly after studying the Mutual Life's portfolio will

agree that it is a wise procedure for life companies to diversify their investments as widely as possible as to classification. An astute policy is to have something of all kinds of investments that are permitted by law. Then there should be diversity so far as each classification is concerned. There should not be a large amount invested in one stock or in one building, and the maturities should be intelligently staggered. He states that Mutual Life now is purchasing FHA mortgages but he does not permit all FHA mortgages that could be bought to be taken over. He has set a standard on those who are under the FHA system and he takes FHA mortgages when he is quite sure of the character, paying ability and staying power of those that have bought the home.

It is interesting to note that President Douglas had an appraisal made of every security and asset of Mutual Life. He did not want anything over valued.

He desired a conservative appraisal. Now it is found that when mortgages, for example, are sold that had been subject to appraisal, the amount received coincided almost identically with the appraisal that was made, which convinces President Douglas and his associates that the appraisal system followed was conservative and correct.

President Douglas has put into effect a number of changes in Mutual Life in order to modernize it, make it more useful and cause it to function with greater smoothness. For instance, he saw in his former public position as director of the federal budget the need of such a budget and having it balance. Therefore he has a budget for every department in the company and every agency and he wants it adhered to. It is a businesslike way of procedure. He has taken steps to improve the property where Mutual Life has mortgages so that sales prospects can be enhanced.

PERSONAL SIDE OF THE BUSINESS

The Washington National of Evanston, Ill., gets out a calendar in color, every year, depicting George Washington in some phase of his career. The company has an oil painting made by a prominent artist. This is used for the calendar copy. The originals, now numbering 15 or more, are hung on the corridor walls of the executive floor and makes a most artistic appearance.

The engagement of H. T. Dobbs, Jr., and Miss Ruth Reynolds of Atlanta is announced. Mr. Dobbs is a son of Vice-president H. T. Dobbs of Industrial Life & Health, president of the Industrial Insurers Conference. The wedding is to be March 21.

Carl T. Prime, secretary and treasurer of National Fidelity Life for 25 years, has been confined to St. Luke's hospital, Kansas City, for six weeks with illness. Mr. Prime is widely known in the insurance field.

J. O. Brown, head of the license division of the Illinois insurance department for five years prior to his replacement last January, has been named assistant United States district attorney at Springfield, Ill., succeeding Baird V. Helfrich of Peoria, Ill., who has been called into army service.

M. F. Ryan, treasurer of Old Line Life, Milwaukee, and Mrs. Ryan have left for a winter vacation in the south. They will spend two weeks in Fort Lauderdale, Fla., fly to Nassau and Cuba, and revisit Florida before returning home.

Secretary James F. Ramey of the Washington National of Evanston, Ill., and Mrs. Ramey are spending a vacation in southern California, accompanied by O. B. Hartley of Omaha, formerly an official of the Great Western which merged with the Washington National.

Otto Langpaap, inspector of agencies of West Coast Life, is being honored in March production, in commemoration of his 25th anniversary of service. On

March 16, the "anniversary day," a special one-day drive resulted in a flood of applications.

Dr. Edison L. Bowers, who has just been appointed chairman of the department of economics at Ohio State University, has been chosen a member of the administrative board of the S. S. Huebner Foundation for Insurance Education.

A. V. Ott, agency manager Equitable Society, New York City, has returned from a trip in the south, where he fished and played golf.

W. E. White, vice-president and director of agencies Continental Assurance, is on an agency trip, visiting offices on the Pacific Coast. He took a short vacation at Champie Ranch, Castle Hot Springs, Ariz. Mr. White is a confirmed horseman. He expects to return to the office at the end of this week.

Philip H. Gillis, son of A. F. Gillis, Newark general agent, Provident Mutual Life, who was with his father's agency, was tendered a farewell party and presented with a wrist watch on his entrance into the army.

Claris Adams, president Ohio State Life, will address the Buckeye Republican Club in Columbus Friday evening.

S. W. McGill, Union Central Life, Fort Wayne, Ind., led all of its salesmen in paid-for business for the first two months, with \$502,830.

Arthur Devine, manager of Prudential No. 2, St. Paul, has been elected president of the St. Paul Winter Carnival Association, which stages a 10-day carnival each year.

DEATHS

W. L. Mousette, 43, since 1930 district manager for the Hermitage district of Metropolitan Life in Nashville.



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SAN FRANCISCO OFFICE—507-8-9 Flatiron Bldg., Tel. EXBrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

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died there after a long illness. Before going to Nashville, he was agency superintendent in New England. He was president of the Tennessee Association of Life Underwriters in 1938.

Stephen Devlin, 59, field supervisor in the Gust. Hartberg agency of the Old Line Life of America, Marinette, Wis., died suddenly at his home there. He had been suffering from a heart ailment for several years but had been able to take care of his duties up to the time of his death. He joined the insurance agency 10 years ago.

W. Rufus Kendall, who was chief examiner of the Illinois insurance department from 1923 to 1928, died last week at the age of 59. He was candidate for state auditor in 1932. Mr. Kendall was prominent in politics in his section of Illinois as his home was in Watseka, where funeral services were held in the Presbyterian Church. He maintained a residence in Chicago and practiced law and did accounting work there. He served as Watseka town clerk for a number of years up to 1921.

T. A. Berley, 55, an investigator for the South Carolina department since 1928, died at a hospital in Columbia following an operation.

W. L. Royall, 46, former manager of New York Life in New York and later a supervisor in Chicago, retired because of ill health, died from a heart attack at Phoenix, Ariz. He went to Phoenix in 1934.

L. C. Evans, Nashville general agent General American Life, died there March 15 after several weeks' illness.

Lively Radio Hour Sunday Morning

"Should the United States Government Regulate Your Life Insurance Company?" is the subject for discussion in the radio hour Sunday at 10 a. m. as part of the series known as "Northwestern University Reviewing Stand." The participants will be Ralph Kastner, associate general counsel American Life Convention; Howard Berolzheimer, professor of insurance and finance, and Harold Havighurst, professor of law at Northwestern University.

The broadcast will be from WGN, Chicago, and will be handled by the 60 stations comprising the Mutual system.

Among the questions that will be raised in the discussion are: Whether life insurance properly does the job of protecting families; whether insurers are guilty of overselling; whether insurance costs too much; whether companies earn too much and whether they invest in the right kind of securities; whether the recommendations made to the TNEC will solve the insurance problems of the average citizen.

Completes Club Qualification

William M. Beard of the M. H. Roberts agency of the Reliance Life, Louisville, has completed his qualifications for the company's 1941 Perfect Protection Club and has thus become the first man in its national sales organization to win the honor this year. Membership in the club is based on \$100,000 of paid business, with \$250 in paid accident and health premiums. Mr. Beard was the fourth man to qualify for the 1940 \$100,000 Club.

OPPORTUNITY:

Live, progressive Catholic life insurance organization has good territory open in Wisconsin and Minnesota for men with proven production record, who are willing to work on a full-time basis. Only men with sales experience, good personality and approach need apply. All replies will be held strictly confidential. Address inquiries to Box M-68, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

The annual **LIFE PAYMENTS EDITION** will be issued in May and will be sent to all subscribers. If you are not a subscriber, use the handy card in this issue.

CHICAGO

LAFOT MOVING ABOUT MAY 1

The New York Life's central department at Chicago is completing the concentration of much of its Chicago organization in 134 South La Salle street. Lloyd Lafot, inspector of agencies central department, will move his office about May 1 to the new location from 39 South La Salle street, where much of the organization has been concentrated for many years. He will occupy quarters on the fifth floor at 134 South La Salle street, where the central branch and clearing house and cashier's departments already have moved. The La Salle and Dearborn branches will remain in the old New York Life building.

The Lakeside branch under Agency Director Ralph Worsley is remaining at One North La Salle street, its quarters having been modernized. The Bankers building branch at 105 West Adams street, under Aubrey Peter, agency director, will move into 134 South La Salle street about April 1. The Field building branch under Agency Director Dan Bailey is remodeling its present quarters. The Northern Illinois branch under Agency Director Golden K. Driggs, will move about April 1 to the 12th floor at 134 South La Salle street. New York Life has the first and second floors at the new location, nearly all of the fifth floor; the Century branch is on the seventh floor and Mr. Lafot will occupy part of the fifth floor.

NEW UNION ATTEMPT IN CHICAGO

A new attempt is being made to unionize industrial agents in Chicago. The Industrial Agents Union, affiliated with the United Office & Professional Workers, CIO, has sent two of its New York organizers, Albert Shephard and Joseph H. Levy, to Chicago. A prospectus is being distributed outside of industrial offices featuring the union's success in other cities. Objectives are: Car expense allowance, pay for clerical work and service calls, increased commission on monthly collections and payment for all rewritten business.

Mr. Shephard reports that he and E. J. Brennan, in charge of the John Hancock Mutual Life's industrial offices in Chicago, conferred with the National Labor Relations Board in Chicago on Monday and Mr. Brennan agreed to hold an election with April 4 as the tentative date. Stipulations have been sent to the home office for signature. Mr. Brennan was out of the city so no comment could be secured from him.

Other industrial managers and superintendents report no real evidence of activity. The union offices at 155 North Clark street are modest and there is apparently no great activity there. No organization mass meetings are being planned for the present.

A similar unionizing effort several years ago made no headway in Chicago.

MENDES CONFERS IN CHICAGO

George L. Mendes, assistant superintendent of agencies Guardian Life, was in Chicago this week holding meetings with the agency staffs of L. S. Broadbuss and J. C. Gregsamer and W. W. Grosser. He explained the Guardian's new agents' educational plan.

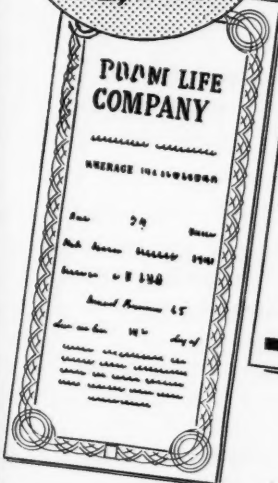
The **A. R. Klein** general agency of the Home Life of New York in Chicago reports a 24 percent increase in business for the first two months of 1941 with the prospect of an even greater increase by the end of March.

When **R. J. Wiese**, general agent in Chicago for Northwestern National Life, returned to his office this week from a month in Mexico, he was tendered a breakfast at which it was reported that during his absence the agency wrote 107 applications for \$400,000. Each agent had at least one application. Frank Collins presented Mr. Wiese with a scroll.

The UNION CENTRAL BULLETIN BOARD

**AVERAGE POLICY
WRITTEN IN U.C. IS
MORE THAN TWICE
THE AVERAGE OF
AMERICA'S LEAD-
ING COMPANIES***

*Average
Policy Bought
in 80 Largest
U. S. Companies*
\$2,248



1332786

**THE UNION CENTRAL
LIFE INSURANCE COMPANY**
CINCINNATI, OHIO

Insurance on the Life of
Average Policyholder

Amount \$4,520.00

Date of Issue December 4, 1939

Premium \$137.60

Premiums due
December 1st.

John Doe Agent

James J. Blank Gen'l. Agt.

*Average
Policy Bought
in Union Central*
\$4,520

*Figures from The Life Insurance Courier, July 1940 (page 285).

The Diamond

Announces its Long Awaited Training

The Name...

"THE ESSENTIALS OF LIFE UNDERWRITING"

Subjects Covered:

"Security Through Life Insurance"

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"The Life Insurance Policy"

"School-Period and Wife Income"

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"The 8 Essentials"

Loose-Leaf Binders:

The ten booklets of the course are furnished in a standard three-ring, black imitation-leather, loose-leaf binder.

Flexibility:

The loose-leaf form is used so that a Company or Manager can use only the parts required for any Agent or group of Agents. Standard Company material can also be added to make the course "custom-built".

Size:

Booklets and sheets are a standard 8½ x 11 inches — thus permitting the use of large, more readable type; also convenient for inserting any Company or Agency material which is generally published in this standard size.

Complete Treatment:

Most courses these days are either too long or too short; too dry or too theoretical and confusing. "The Essentials of Life Underwriting" avoids these difficulties by giving just enough background information to provide a sound basic knowledge. At the same time, two or three field-tested Sales Talks are supplied for each "Pack-

age". Also included are "Approaches", "Answers to Objections", "Closing Ideas", "Motivating Stories", etc.

Quiz Sheets:

Quiz sheets are furnished with each course. These quizzes are designed not so much to test the knowledge of the student as to supply him with "projects" which will help him to make practical use of the knowledge he has gained.

Gets New Agents Into the Field Promptly:

The course is specifically designed to go along with and parallel field work. The new man is not held in the office for a long preliminary grind of theory, neither is he forced out to do a complete selling job before he is ready.

Adapted for both new and established Agents:

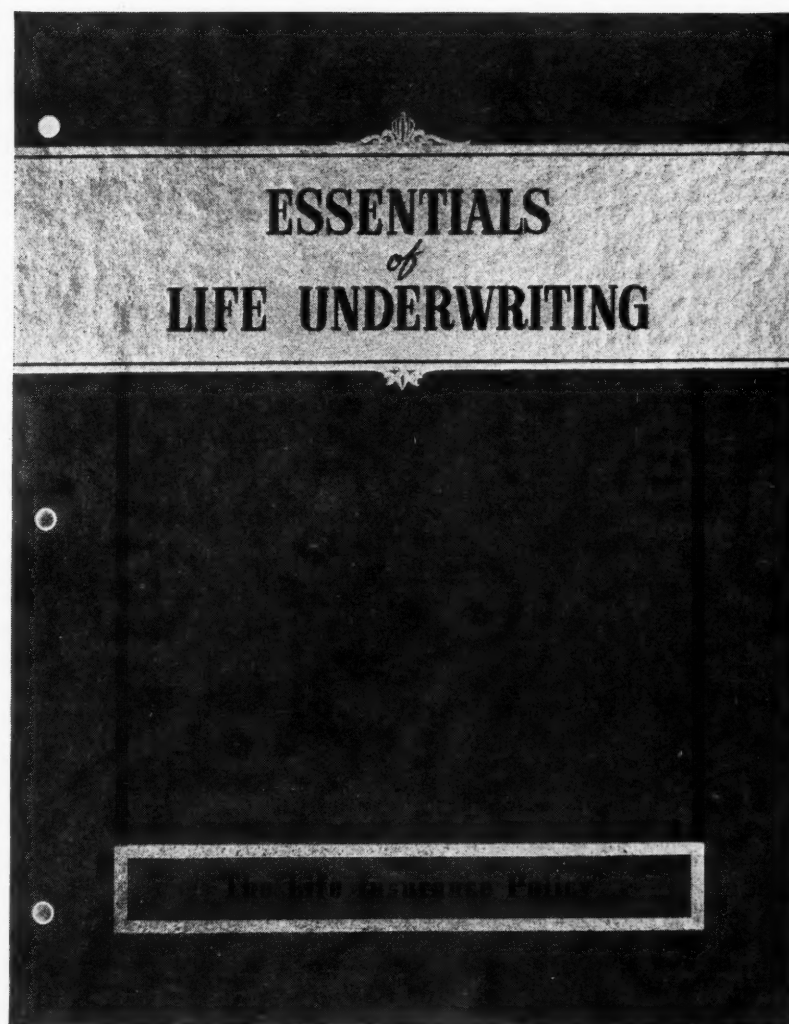
The course is built especially for new men, yet it will be intensely valuable as a "refresher" for established Agents.

Order on Approval:

Any Manager or Company official may order a complete copy of "The Essentials of Life Underwriting" on 10-day approval. See the coupon on opposite page.

Life Bulletins

Course for both Old and New Agents



PRICE

Complete Course,
Including Binder

\$6.00

Name embossed on binder,
25 cents.

Quantity prices on request.

THE DIAMOND LIFE BULLETINS . . 420 East Fourth Street, Cincinnati, Ohio

GENTLEMEN:

Please send me one copy of your new course, "THE ESSENTIALS OF LIFE UNDERWRITING," in your standard three-ring binder. I may keep this course ten days for examination. At the end of that time either I shall return the course in good condition or you may bill me for \$6.

NAME _____ TITLE _____

COMPANY _____

STREET ADDRESS _____

CITY AND STATE _____

NEWS OF THE COMPANIES

Higher Rank for F. D. Albritton

Ford D. Albritton, who for the past six years has been general sales director of Great Southern Life, has now been appointed vice-president and manager of agencies and he has been elected a director as well. He has been with Great Southern since 1923, starting in the field and later serving as agency supervisor and manager until he was appointed general sales director.

Mr. Albritton has a brother in Chicago, E. S. Albritton, who is a well known general agent of Provident Mutual Life.

Southland Life Advances Woodward and Briggs

Joe B. Woodward, formerly vice-president and assistant agency director of Southland Life, has been elected vice-president and agency director, and John L. Briggs, heretofore assistant secretary, has been elected vice-president and assistant agency director.

Jesse R. Plummer, president of the affiliated Commercial Standard of Fort Worth, has been elected a director.

Great Southern in 1940 Made Much Progress

Great Southern Life in 1940 enjoyed one of the most satisfactory years in its history. President E. P. Greenwood points out that substantial progress was made in such factors as persistency, improvement in collections and mortality.

Insurance in force exceeds \$255,000,000 which is a substantial gain. Assets increased by more than \$2,800,000 and now amount to more than \$55,000,000. Capital is \$3,000,000, there is a fixed surplus of \$1,000,000 and a special contingency surplus in excess of \$931,000.

American National Has \$7,000,000 Gain in Assets

The new annual statement of American National of Galveston reveals an increase in assets of just about \$7,000,000, the new figure being \$89,165,397. Government bonds totaled \$7,839,903 and the total bond investments are carried at \$32,933,330. Mortgages amount to \$18,317,196, there is \$17,291,242 of cash, \$5,380,072 of stocks, real estate is \$6,255,803, a decline of about \$4,000,000.

Policy reserves are \$69,220,790. Capital remains at \$2,000,000, there is a special reserve of \$1,000,000 and net surplus is \$10,547,983, an increase of about \$500,000.

Republic National Changes Titles

L. C. Shine, formerly with the Southern Old Line, which was reinsured by the Republic National Life, has been elected treasurer of the latter company. T. M. Mott, who has been secretary and actuary is now actuary of the Republic National. C. E. Hastings, counsel, has been elected secretary and general counsel, Richard K. DuVall, who has been vice-president and treasurer, has been named vice-president and manager of the bond department. O. L. Burger, vice-president in charge of investments, becomes vice-president and manager of mortgage loans.

Organize Benefit Association

PONTIAC, MICH.—The Universal Benefit Association has been organized here to write death benefits of \$300 and \$500 on a legal reserve assessment basis. Officers are: G. P. Waller, president; Floyd Miller, vice-president and treasurer; P. A. Ralston, secretary, and directors, Dr. C. G. Burke and

Kenneth Thayer. Offices are in the People's Bank building.

Observing 35th Anniversary

The field force of the Ohio State Life has launched a campaign commemorating its 35th anniversary. The campaign will close May 3. In general charge of the campaign are Managers H. E. Van de Walker, Ypsilanti, Mich.; E. G. Siefert, Marion, O.; J. C. McFarland, Cincinnati; Carl Adams, Cleveland, and A. E. D'Emilio, Pittsburgh.

Honor Sweeney in March

According to custom of many years' standing State Life of Indiana producers are honoring President R. E. Sweeney by a special drive for business in March. "Sweeney Month" dates back to 1923. He was then assistant agency manager.

Conclude Life of Va. Examination

An examination of the Life of Virginia by the Indiana, Oklahoma, and Virginia departments has been concluded.

Steele to United of Salina

Don Steele, formerly connected with the St. Louis agency of the Connecticut Mutual Life, has gone to Salina, Kan., as field supervisor of agencies of the United Life of that city.

SALES MEETS

Stress Sales to Farmers at Hoosier Farm Bureau Meet BY W. A. SCANLON

Over 200 attended joint annual meeting of the Farm Bureau Mutual of Indiana and the Hoosier Farm Bureau Life at Indianapolis.

The life company which was formed in 1937 now has \$6,818,101 in force, a gain of \$2,446,288, M. H. Ringer, general manager, announced. At the end of 1940 there were 5,118 policyholders. The average policy written in 1940 was \$1,326. A retirement plan for agents starting at age 65 is now being considered. There are now 231 agents under contract and the number is expected to reach 500 this year.

The importance of selling to farmers was stressed by President H. E. Schenck, who said that there is only

\$7,000,000,000 life insurance in force on farmers, who represent 25 percent of the population while the other 75 percent of the people have \$108,000,000,000 in force. In other words, only 6 percent of the insurance is held by farmers who represent one-fourth of the population. The Hoosier Farm Bureau Life is pushing the mortgage redemption policies as a special need for farmers.

Mr. Schenck announced that the Hoosier Farm Bureau Life which has been licensed in Indiana only is now writing business in Kentucky.

L. A. Williams, director of sales, gave an inspirational talk in which he pointed out that life agents have a greater mission in providing economic protection than that of merely making an income.

Talks were also made by I. H. Hull, general manager Indiana Farm Bureau Co-operative Association, and Ollie Price, Louisville, Kentucky manager.

National Life Agency Heads in Regional Parleys

Leaders of the agency department of National Life of Vermont are conducting three regional meetings of general agents. Led by Vice-president Edward D. Field, the others are D. Bobb Slatery, assistant to the vice-president, Karl G. Gumm, assistant superintendent of agencies, Fred S. Brynn, agency supervisor, and Ward Phelps of the Sales Research Bureau. The first meeting, held at the home office, proved highly successful. Intensive sessions were held over a four-day period. The same program was put on at Hershey, Pa., commencing Monday and it will be repeated March 31 at Cedar Rapids, Ia.

LaFayette Life Michigan Rally

J. W. Link, secretary LaFayette Life, and R. G. Yeager, superintendent of agencies, conducted a sales conference for Michigan agents in Jackson, with general agents and producers present from Detroit, Kalamazoo, Battle Creek, Lansing, Eaton Rapids, Grand Rapids and Pentwater.

Southwestern Life Dates Set

The Top Club of the Southwestern Life of Dallas will meet in Galveston June 4 and the Southwestern Life Club June 5-7.

Hold 45th Anniversary Rally

MINNEAPOLIS—Marking the 45th anniversary of the North American Life & Casualty, 300 agents and their wives gathered here for a two-day sales conference. Speakers were H. P. Skoglund,

president; Tom Collins, Kansas City "Journal" columnist; C. H. Davis, Pacific Mutual Life, Chicago, and Wright W. Scott, president Minnesota Association of Life Underwriters.

MANAGERS

Seattle Managers Guests of Portland Association

PORTLAND, ORE.—The Seattle Life Managers Association paid a visit to the Portland Life Managers Association and was entertained at a dinner. George Schweiger, general agent Lincoln National and Portland president, opened the meeting and welcomed the visitors.

J. P. Mulder, formerly of Portland, now Seattle general agent of Mutual Life of New York, was master of ceremonies. Portland had promised the dinner if Seattle would furnish the entertainment.

Speakers included Lloyd A. Perkins, general agent Pacific Mutual and president of the Seattle association; Clifford Morse, home office supervisor of Phoenix Mutual, on "Cleanings of a Traveling Home Office Supervisor—Best Methods of Best Managers;" and James E. Rutherford, Seattle general agent of Penn Mutual, on "Supervision of the One-Man Agency."

The Portland association has been invited to visit Seattle May 16, when the tables will be reversed.

E. A. Ellis, general agent for the Pacific Mutual in Portland and publicity chairman, announced that 75 attended the dinner.

Attorney Addresses Cashiers

Successful salesmanship requires a thorough knowledge of human under-



68



68

means
business

ACCIDENT & HEALTH INSURANCE WEEK
MARCH 24-29, 1941

THIS ADVERTISEMENT DONATED TO A. & H. WEEK BY THE UNITED STATES LIFE INSURANCE COMPANY OF NEW YORK

HOME OFFICE POSITION

An unusual opportunity will soon open up in the Home Office of a substantial Eastern life insurance company. The man preferred is one who is now giving all or a part of his time to personal production, who is willing to travel about half the time, and who wants experience in a Home Office Agency Department. This position will involve regular Agency Department duties. Salary modest to start. If you are interested write your qualifications to N-5, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

standing and the ability to put the proposition to the prospect in his own language, L. D. Stocking, Milwaukee attorney, told the Life Insurance Cashiers Association of Milwaukee. "Selling is the art of using the proper 'bait' and taking into consideration the characteristics of the prospect," Mr. Stocking said in discussing "Human Understanding."

Newark Cashiers' Meeting

C. M. Thompson, cashier of the John A. Ramsay agency of the Connecticut Mutual Life, will speak at the dinner-meeting of the Newark Life Cashiers' Association.

AGENCY NEWS

Breisky of Baltimore Wins Plaudits

F. Hobart Haviland, vice-president Connecticut General Life, presented a certificate for outstanding accomplishment in 1940 to John V. Breisky, Baltimore manager, at a luncheon meeting. Mr. Breisky has been with Connecticut General since 1933 and manager at Baltimore since 1938.

The Breisky agency had an increase in paid premiums of 52 percent, with 39 percent of the increase coming from new men. Paid volume showed an increase of 25 percent. Mr. Breisky qualified more men for the honor roll and President's Club in 1940 than in 1939. His office was also represented on the Vice-President's Club list.

Nell Opens New Agency

G. M. Nell, Jr., recently appointed general agent of the Old Line Life in Kalamazoo, Mich., held "open house" to open his new office. He started as an agent with the S. W. Ryan agency of the Penn Mutual in Detroit in 1936 and was appointed supervisor in 1938.

Contest Ends in Tie

The western Kansas agency of the Victory Life celebrated anniversary month with a "streamliner contest" under the direction of District Agent Elmer Henry. The agents were divided into two groups the "Oilers" with Murlin Carter as captain and the "Irrigators" under Eddie Rodenbeek. The contest ended in a tie and agency members are offering various suggestions for a proper "pay off."

Vogel to Have Victory Dinner

In honor of winning the "victory trophy" of the Columbian National Life for greatest gain in production, a victory dinner will be held by the W. S. Vogel agency in Newark March 27. There will be a number of field representatives from New York City and home office officials in attendance.

Newark Agency February Leader

The Newark agency of the Manufacturers Life, of which J. S. Dey is manager, led all agencies of the company in paid business for February and now has 394 percent of its paid allotment for the year.

Schaaff Syracuse Double Decker

The following officers were elected for 1941 at a recent meeting of the Syracuse, N. Y., Life Trust Council:

President Charles H. Schaaff, Massachusetts Mutual Life; vice-president, Douglas Drummond; secretary, C. H. Sanford, Jr.; executive committee: Norman L. Egbert and Henry M. Files, Northwestern Mutual Life.

Mr. Schaaff was also recently elected president of the Syracuse Life Manager Association; vice-president is T. A. Derrenbacker, Prudential; secretary, Dewey R. Mason, Aetna Life, and treasurer, James Shuttleworth, Prudential.

Snow Aetna Head at Des Moines

Edwin H. Snow, field supervisor in the home office agency department, has been appointed general agent of Aetna Life at Des Moines, effective May 1. Mr. Snow succeeds Martin L. Seltzer, resigned, whose future plans have not yet been announced. Don D. Davison,



EDWIN H. SNOW

supervisor at Des Moines, will continue with Mr. Snow in that capacity.

Mr. Snow, one of the younger group of company officers, was born in Chicago in 1907, attended Chicago schools, and was graduated from Northwestern University in 1930. With a life insurance career strongly in his mind, he left the Retail Credit Company after a year of valuable experience and joined Aetna Life in Chicago as a salesman. He was successful as a producer and, having special ability in the creation of sales promotion plans, he did increasingly more of that type of work.

In 1935 he was called to the home office as agency assistant and in 1939 was appointed an officer of the company. He is co-author of the Estate Control Plan, Aetna Life's established sales pattern. Two years ago he organized and became chief instructor in the home office life insurance school. In addition, he has been in personal contact with agencies for several years, an experience which will be of great value in his new work.

Mr. Seltzer started selling life insurance for Travelers in 1908. In 1923, he went into organization work for Travelers as field assistant. Later he was made assistant manager serving in Grand Rapids, Mich., and St. Louis. He went with Aetna Life in 1927 as assistant to the Iowa general agent and upon his death in 1929 was appointed general agent. He is a past president of the Des Moines Association of Life Underwriters, of the Iowa state association and of the Des Moines General Agents & Managers Club. He has been active in National association affairs and served as a trustee. He was chairman of the committee that was instrumental in securing the National convention in Des Moines in 1935.

Davis Made Bangor Manager

Ulmer W. Davis has been appointed manager at Bangor, Me., by the Fidelity Mutual Life. He has been in the life insurance business 19 years and was formerly district manager of the Equitable Society in Portland.

Harold S. Weatherford has been appointed manager at Charleston, W. Va., for George Washington Life.

Rasmussen Penn Mutual Associate Head in Newark

Harry O. Rasmussen has become associate general agent for Penn Mutual Life in the J. Elliott Hall agency at Newark.

Mr. Rasmussen started with Penn Mutual at the home office in the underwriting department in 1926. After six years he went to New York as new business manager and personal producer in the J. Elliott Hall agency. Two years later he began supervisory duties with General Agent Osborne Bethea.

In 1939 he returned to the home office for a six weeks' training course and since then has been traveling to various agencies as a member of the training department.

Wis. Nat'l Names Scott at Pontiac

Wisconsin National Life has appointed Neal J. Scott as general agent for Oakland and Macomb counties, with offices in the Pontiac National Bank building, Pontiac, Mich. Mr. Scott was associated for 10 years with Phoenix Mutual Life and has been general agent for Michigan Life the past five months. He takes with him a staff of four agents.

Adams Joins Modern Life

Elmer Adams, formerly vice president and general manager of the Guardian Life of Dallas, has been appointed agency manager for northeast Texas by

the Modern Life of Minnesota, with offices in 808 Allen building, Dallas. He started in life insurance as agency supervisor of the Alamo Life of San Antonio and five years later became an examiner for the Texas insurance department. He joined the Guardian Life in 1939. In Dallas he succeeds D. C. Nation, brother of President M. A. Nation of the Modern Life, who has become a personal producer at Nocona, Tex.

Broderick Heads New World Life Home Office Agency

Fred J. Broderick has resigned as associate general agent of Massachusetts Mutual in Seattle to become manager of the home office agency of the New World Life. He entered the business in 1925, spent some time in Philadelphia and returned to Seattle in 1928 with the A. H. Challiss agency of Massachusetts Mutual. He became assistant general agent in 1933 and became associate general agent in 1939. He is secretary of the Seattle Life Underwriters Association and chairman of its membership committee.

Bankers Life of Neb. Names Arwin Michigan Manager

Lester B. Arwin has been appointed general agent for Michigan by Bankers Life of Nebraska. He succeeds Ben T. Leonard, who will remain associated with the company as district manager in Detroit. The agency's office will be located in the Penobscot building. After graduating from New York



THE

POLICYHOLDERS' COMPANY

SINCE 1845

The Mutual Benefit

LIFE INSURANCE COMPANY

ORGANIZED 1845 • NEWARK, N. J.

University, Mr. Arwin was associated with the new business department of Guardian Trust of Detroit. Mr. Arwin also held the offices of agency director and assistant to the president of Detroit Life. When that company was reinsured by Central Life of Illinois, he continued with the new company as agency manager for Michigan.

Traube to Birmingham

S. P. J. Traube, supervising assistant of the New Orleans agency of the Mutual Life, has been appointed agency organizer in Birmingham agency. A breakfast in his honor was given by R. F. Lawton, New Orleans manager.

R. H. Lovvorn has been appointed general agent at Columbia, S. C., by the Volunteer State Life.

Acacia Underwriters Get Visual Aid in Movie Series

The Acacia Underwriters Club of Acacia Mutual Life is receiving valuable visual instruction in the form of a series of motion picture presentations of various occupational activities in several major industries. This method, it is expected, will be extremely helpful in supplementing the written information available with respect to such occupations.

Show U. S. Steel Films

The films shown at the first meeting covered the operations performed throughout various types of steel plants and were obtained by loan through the United States Steel Corporation Subsidiaries.

About 40 home office employees other than underwriters accepted an invitation to see the picture.

Such pictures will be shown about every three months.

Merge Guardian Newark Agencies

The Guardian Life has merged its two Newark agencies into one organization, with Myron E. Bay as manager and Ernest D. Finch, Jr., assistant manager.

"In my opinion the success or failure of any life insurance agent can and will be determined by his willingness to call on people and to discuss intelligently with them their needs for life insurance." —P. R. Thomas.

Just the thing to convince hard boiled prospects—*"24 Men in 24 Years."* 8 booklets \$1 from National Underwriter.

New Hamilton Manager for Great-West Life



D. R. FERGUSON

D. R. Ferguson, formerly supervisor of field service at the head office of Great-West Life has been appointed manager at Hamilton, Ont. He succeeds J. N. Connacher, who was recently appointed manager at Winnipeg.

Mr. Ferguson joined Great-West in 1927 and spent four years in field organization work as district manager for eastern Manitoba before joining the agency department of the head office in 1931. At the head office, he served first as inspector of agencies and then as supervisor of field service. His training has given him an excellent background of both agency management and personal sales experience.

Mr. Ferguson's father was C. C. Ferguson, who was general manager of Great-West Life at the time of his death about two years ago.

Judge Addresses Detroit Actuaries

Judge Neal Fitzgerald of common pleas court addressed the Michigan Actuarial Society in Detroit on "The Functioning and Duties of Our Courts and Their Relationship to Insurance Companies." J. E. Reault, Maccabees, presided. W. G. O'Connell, Conductors Protective, introduced the speaker.

The April meeting will be given over to panel discussions. The annual meeting will be held in May.

COAST

No Action Against Sullivan

SEATTLE—The Washington legislative investigating committee's charges of extravagance in the conduct of Commissioner Sullivan's department backfired when the legislature declined to act upon the report and adjourned. No material change was made in the department's budget. The committee, in turn, was subjected to a scathing attack by the press of the state. The vestigating committee's report on the insurance department was regarded editorially by many newspapers as an attempt to "smear" and inject party politics into the conduct of the insurance commissioner's office.

W. B. F. Hall on Coast

W. B. F. Hall, second vice-president and mortgage loan department manager of the Lincoln National Life, visited Seattle last week and conferred with W. W. Williams, Seattle investment agent. Mr. Hall was accompanied by his assistant, E. D. Auer.

Show Metropolitan's Health Film

SAN FRANCISCO—Leading health authorities in the San Francisco Bay region were guests of the Metropolitan Life at a luncheon at the Pacific Coast office here, following a preview of the company's latest health film, "The Proof of the Pudding."

Henry E. North, vice-president in charge of the Pacific Coast head office, presided. Dr. W. P. Shepard, assistant secretary in charge of the wel-

fare division, outlined the purpose of the film.

Mrs. Walter W. Cox, formerly Miss Norma Marino, for 11 years assistant secretary of the "Western Underwriter," has retired from business life. She is now in a San Francisco hospital, where she has undergone a serious major operation.

Second Bill of Hobbs Requires Permit from SEC

Representative Hobbs of Alabama has now introduced in Congress a second bill denying the use of the mails to insurance companies not complying with the laws of the respective states. He has introduced bills to effect such a purpose in the past several sessions of Congress and had already introduced a measure earlier in the present session. The second measure contains a provision that a company in order to enjoy the privilege of the mails must get a permit from the Securities & Exchange Commission.

Implications Are Seen

The appearance of that provision has caused considerable comment, because the bill was introduced just a few days after the report of the SEC members of the TNEC to the full committee. Some felt that Mr. Hobbs' second measure perhaps had the blessing of the SEC and was a disguised bill for federal control. Others, however, felt that Hobbs was innocent of any such motive and that he merely had not appreciated the implications of the situation.



AS FAITHFUL AS "OLD FAITHFUL"

Making History!

Total insurance in force increases 3.89% to a new all-time high of \$181,326,093. New paid business exceeds preceding year by 14.9%.

Yield on total assets again hits high figure of 4.0% on a conservative, diversified portfolio of investments. Mortality rate again holds to a low mark, 38% of expected.

Total assets increase 6.6% to \$49,533,619.

Surplus increases 7.7%... which means dividends have been maintained without dipping into surplus funds.

Dividend scale for 1941 will not be changed.

These cold, unadorned facts tell eloquently that a new leader is forging ahead in the life insurance field.

MUTUAL TRUST LIFE INSURANCE COMPANY

135 S. LaSalle St.
CHICAGO

One of 24 purely mutual, net level premium, 3% reserve companies in the United States.

OPEN TERRITORY

in Michigan, Ohio, Indiana and Illinois

◆ ◆
FOR MEN WHO CAN PRODUCE
AND
ARE AMBITIOUS TO BUILD OWN AGENCY
◆ ◆

Philadelphia Life Insurance Company
Philadelphia, Pennsylvania

POLICIES

Metropolitan Life Scale Modified Slightly for 1941

The Metropolitan Life's new dividend scale effective May 1 is slightly modified on ordinary, intermediate and special class policies. While the effect will vary on various policies every premium paying policy will receive at least as large, if not a larger, dividend than the previous payment. Term and family income policy dividends are slightly increased.

Mortuary, maturity and settlement dividends are now being based on the face amount instead of as a percentage of the reserve, which means an increase for low reserve contracts. No excess interest will be paid on supplementary contracts, the 3 and 3.5 percent guaranteed rates, according to the contract, prevail.

Details on the new dividend scale are shown in the columns to the right and on page 22.

National L. & A. Hikes Ordinary Rates; Recasts Form

National Life & Accident announces important changes in its ordinary policies. The present rates are based on the American experience table at 3 1/2 percent interest. All new ordinary policies will be valued on the American men ultimate table at 3 1/4 percent. Settlement options will also be based on 3 1/4 percent.

The endowment at age 85 policy will be discontinued, but several new policies will be introduced. One of these will be a paid-up at age 85.

The language, arrangement and form of contents have been completely revised.

Settlement options have been changed to a basis of 3 1/4 percent for installment options and where life contingencies are involved settlement options are differentiated by sex.

The five new policies that have been introduced are preferred risk 25-payment life, a family income policy and a new retirement income at 55, 60 and 65. In addition the endowment at 85 has been withdrawn and the life paid up at 85 has been substituted.

Extended insurance is hereafter to be the automatic non-forfeiture option. Policy loan interest has been reduced to 5 percent, payable in arrears.

The new policy forms will provide for no deduction of fractional premiums for the year of death and will provide for refund of any premiums paid in advance of the month of death.

Rates on annuities which have been omitted from the rate book but which will be furnished agents on request are for the time being, the same as last year.

Joint Meeting to Hear Davis

DETROIT—Life insurance general agents and managers, members of the Casualty & Surety Executives Association of Detroit and the staffs of stock fire and casualty agencies have been invited to join with the Detroit Association of Insurance Agents at its March 25 dinner meeting to hear Roy L. Davis, Chicago manager Association of Casualty & Surety Executives and former assistant insurance director in Illinois, on "The Business of Insurance." Those who do not care to attend the dinner may join the group at 7:30 for Mr. Davis' talk.

Just the thing to convince hard boiled prospects—"24 Men in 24 Years," 8 booklets \$1 from National Underwriter.

Metropolitan Life, N. Y.

1941 ILLUSTRATIVE NET COST—NET PAYMENTS (\$1,000)
Applicable to 3% policies issued after Jan. 1, 1935

Amer. Exp. 3%

(ORDINARY) WHOLE LIFE PAID-UP AT 85—3% (Continued)

Ages	30	31	32	33	34	35	36	37	38
Premium	21.80	22.43	23.11	23.82	24.57	25.35	26.19	27.07	28.01
1	21.80	22.43	23.11	23.82	24.57	25.35	26.19	27.07	28.01
2	21.80	22.43	23.11	23.82	24.57	25.35	26.19	27.07	28.01
3	21.80	22.43	23.11	23.82	24.57	25.35	26.19	27.07	28.01
4	21.80	22.43	23.11	23.82	24.57	25.35	26.19	27.07	28.01
5	21.80	22.43	23.11	23.82	24.57	25.35	26.19	27.07	28.01
10	21.80	22.43	23.11	23.82	24.57	25.35	26.19	27.07	28.01
15	21.80	22.43	23.11	23.82	24.57	25.35	26.19	27.07	28.01
20	21.80	22.43	23.11	23.82	24.57	25.35	26.19	27.07	28.01
10 Yrs. Prems.	218.00	224.30	231.10	238.20	245.70	253.50	261.90	270.70	280.10
10 Yrs. Div'ds.	38.71	39.32	40.01	40.76	41.57	42.43	43.35	44.33	45.36
10 Yrs. NET.	179.29	184.98	191.09	197.45	204.13	211.07	218.55	226.03	234.46
Av. Net Payt.	17.93	18.50	19.12	19.77	20.45	21.16	21.92	22.72	23.62
10 Yr Cash Val.	108.00	113.00	117.00	122.00	127.00	132.00	137.00	143.00	148.00
10 Yr Cost....	71.29	71.98	74.19	75.05	77.53	79.79	82.55	84.65	88.24
Average Cost	7.13	7.20	7.42	7.57	7.75	7.98	8.26	8.47	8.82

Ages	39	40	41	42	43	44	45	46	47
Premium	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
1	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
2	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
3	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
4	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
5	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
10	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
15	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
20	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
10 Yrs. Prems.	289.90	300.40	311.60	323.30	335.70	349.10	363.30	377.80	393.20
10 Yrs. Div'ds.	44.76	46.73	48.78	50.90	53.12	55.42	57.80	60.26	62.80
10 Yrs. NET.	245.14	253.67	262.82	272.40	282.58	293.68	305.10	317.06	329.40
Av. Net Payt.	24.51	25.37	26.28	27.24	28.26	29.37	30.51	31.70	32.94
10 Yr Cash Val.	154.00	160.00	167.00	173.00	179.00	185.00	192.00	199.00	207.00
10 Yr Cost....	91.14	94.74	97.82	102.40	107.10	112.00	117.10	122.40	127.80
Average Cost	9.11	9.47	9.79	10.24	10.76	11.27	11.85	12.46	13.15

Ages	39	40	41	42	43	44	45	46	47
Premium	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
1	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
2	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
3	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
4	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
5	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
10	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
15	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
20	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
10 Yrs. Prems.	289.90	300.40	311.60	323.30	335.70	349.10	363.30	377.80	393.20
10 Yrs. Div'ds.	44.76	46.73	48.78	50.90	53.12	55.42	57.80	60.26	62.80
10 Yrs. NET.	245.14	253.67	262.82	272.40	282.58	293.68	305.10	317.06	329.40
Av. Net Payt.	24.51	25.37	26.28	27.24	28.26	29.37	30.51	31.70	32.94
10 Yr Cash Val.	154.00	160.00	167.00	173.00	179.00	185.00	192.00	199.00	207.00
10 Yr Cost....	91.14	94.74	97.82	102.40	107.10	112.00	117.10	122.40	127.80
Average Cost	9.11	9.47	9.79	10.24	10.76	11.27	11.85	12.46	13.15

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Premium	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
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3	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
4	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
5	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
10	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
15	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
20	28.99	30.04	31.16	32.33	33.57	34.91	36.33	37.78	39.32
10 Yrs. Prems.	289.90	300.40	311.60	323.30	335.70	349.10	363.30	377.80	393.20
10 Yrs. Div'ds.	44.76	46.73	48.78	50.90	53.12	55.42	57.80	60.26	62.80
10 Yrs. NET.	245.14	253.67	262.82	272.40	282.58	293.68	305.10	317.06	329.40
Av. Net Payt.	24.51	25.37	26.28	27.24	28.26	29.37	30.51	31.70	32.94
10 Yr Cash Val.	154.00	160.00	167.00	173.00	179.00	185.00	192.00	199.00	207.00
10 Yr Cost....	91.14	94.74	97.82	102.40	107.10	112.00	117.10	122.40	127.80
Average Cost	9.11	9.47	9.79	10.24	10.76	11.27	11.85	12.46	13.15

*Settlement Dividend payable only on surrender if declared at time of surrender.
*This is merely an illustration. These figures are illustrative of the present dividend scale only and are not guarantees or estimates of future results. All dividends depend upon earnings, and a dividend scale is not likely to continue unchanged over a period of years.

1941 ILLUSTRATIVE NET COST—NET PAYMENTS (\$1,000)
Applicable to 3% policies issued after Jan. 1, 1935

Amer. Exp. 3%

(ORDINARY) WHOLE LIFE PAID-UP AT 85 (Continued)

Ages	48	49	50	51	52	53	54	55	56
Premium	42.96	44.71	46.59	48.58	50.67	52.85	55.13	57.57	60.13
1	42.96	44.71	46.59	48.58	50.67	52.85	55.13	57.57	60.13
2	42.96	44.71	46.59	48.58	50.67	52.85	55.13	57.57	60.13
3	42.96	44.71	46.59	48.58	50.67	52.85	55.13	57.57	60.13
4	42.96	44.71	46.59	48.58	50.67	52.85	55.13	57.57	60.13
5	42.96	44.71	46.59	48.58	50.67	52.85	55.13	57.57	60.13
10	42.96	44.71	46.59	48.58	50.67	52.85	55.13	57.57	60.13
15	42.96	44.71	46.59	48.58	50.67	52.85	55.13	57.57	60.13
20	42.96	44.71	46.59	48.58	50.67	52.85	55.13	57.57	60.13
10 Yrs. Prems.	429.60	447.10	465.90	485.80	506.70	528.50	551.30	575.70	601.30
10 Yrs. Div'ds.	65.38	68.29	71.25	74.26	77.32	80.43	83.59	86.80	89.96
10 Yrs. NET.	364.22	378.80	394.65	411.56	429.38	448.07	467.79	488.50	509.26
Av. Net Payt.	36.42	37.88	39.47	41.16	42.94	44.81	46.78	48.85	50.93
10 Yr Cash Val.	214.00	221.00	229.00	237.00	246.00	254.00	263.00	272.00	281.00
10 Yr Cost....	139.22	147.80	156.61	165.74	175.10	184.69	194.50	204.53	214.80
Average Cost	13.92	14.78	15.66	16.57	17.51	18.47	19.45	20.45	21.48

	10 Year Summary									
10 Yrs. Prems.	409.60	427.10	445.90	465.80	486.90	509.70	533.90	559.70	587.30	
10 Yrs. Div'ds.	56.38	58.30	60.29	62.56	65.14	68.01	71.13	74.57	78.53	
10 Yrs. NET.	353.22	368.80	385.61	403.24	421.76	441.69	462.77	485.13	508.77	
Av. Net Payt.	35.32	36.88	38.56	40.32	42.18	44.17	46.28	48.51		
10 Yr Cash Val	210.00	220.00	229.00	237.00	246.00	254.00	263.00	271.00	280.00	
10 Yr Cost....	139.22	147.90	156.61	165.24	173.78	182.69	190.77	214.13	228.77	
Average Cost	13.92	14.79	15.66	16.52	17.38	18.27	19.08	21.41	22.88	

(CONTINUED FROM PRECEDING PAGE)

**1941 ILLUSTRATIVE NET COST—NET PAYMENTS

Applicable to 3% policies issued after Jan. 1, 1940

RETIREMENT INCOME (Ordinary) (\$10 Monthly Income—\$1,000 Insurance)

Maturing at Age 65—Male					Maturing at Age 60—Male				
Ages	25	30	35	45	55	25	30	35	45
Premium	28.39	34.13	42.02	70.71	155.94	35.92	44.38	56.54	106.58
1	28.39	34.13	42.02	70.71	155.94	35.92	44.38	56.54	106.58
2	28.39	34.13	42.02	70.71	155.94	35.92	44.38	56.54	106.58
3	28.39	34.13	42.02	70.71	155.94	35.92	44.38	56.54	106.58
4	28.39	34.13	42.02	70.71	155.94	35.92	44.38	56.54	106.58
5	28.39	34.13	42.02	70.71	155.94	35.92	44.38	56.54	106.58
10	28.39	34.13	42.02	70.71	155.94	35.92	44.38	56.54	106.58
15	28.39	34.13	42.02	70.71	155.94	35.92	44.38	56.54	106.58
20	28.39	34.13	42.02	70.71	155.94	35.92	44.38	56.54	106.58

10 Year Summary					10 Year Summary				
10 Yrs. Pmts.	283.90	341.30	420.20	707.10	1559.40	359.20	443.80	565.40	1065.80
10 Yrs. Div'ds.	30.80	35.88	39.94	54.10	122.23	29.80	36.02	42.12	76.26
10 Yrs. NET.	253.10	305.42	380.26	653.00	1437.17	329.34	407.78	523.28	989.54
Av. Net Payt.	25.31	30.54	38.03	65.30	143.72	32.93	40.78	52.33	98.95
10 Yr Cash Val	185.00	236.00	312.00	588.00	1522.00	267.00	333.00	477.00	1004.00
10 Yr Cost...	68.10	69.42	69.26	65.00	184.83	62.34	54.78	46.28	114.46
Average Cost	6.81	6.94	6.83	6.50	18.48	6.23	5.48	4.63	11.45

20 Year Summary					20 Year Summary				
20 Yrs. Pmts.	567.80	682.60	840.40	1414.20	7118.80	867.60	1130.80	1380.80	2131.60
20 Yrs. Div'ds.	61.60	71.76	79.88	109.22	425.70	50.76	61.02	68.14	94.30
20 Yrs. NET.	481.17	580.41	724.13	1224.92	6743.10	777.66	1000.20	1248.94	2025.90
Av. Net Payt.	24.06	29.02	36.21	61.25	337.16	38.88	50.01	62.45	101.29
20 Yr Cash Val	497.00	630.00	817.00	1522.00	710.00	924.00	1234.00	1854.00	2854.00
Settle't Div.*	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Tot. Payable...	322.00	655.00	842.00	1522.00	735.00	949.00	1259.00	1879.00	2879.00
20 Yr Cost...	140.83	174.59	117.87	1297.07	1107.36	1171.34	1258.80	1733.07	2267.37
Average Cost	12.04	13.73	15.89	114.85	15.37	18.57	12.94	17.29	22.67

Maturing at Age 65—Female					Maturing at Age 60—Female				
Ages	15	25	35	45	55	15	25	35	45
Premium	22.13	30.49	45.52	77.20	171.84	27.06	38.94	61.76	117.23
1	22.13	30.49	45.52	77.20	171.84	27.06	38.94	61.76	117.23
2	22.13	30.49	45.52	77.20	171.84	27.06	38.94	61.76	117.23
3	22.13	30.49	45.52	77.20	171.84	27.06	38.94	61.76	117.23
4	22.13	30.49	45.52	77.20	171.84	27.06	38.94	61.76	117.23
5	22.13	30.49	45.52	77.20	171.84	27.06	38.94	61.76	117.23
10	22.13	30.49	45.52	77.20	171.84	27.06	38.94	61.76	117.23
15	22.13	30.49	45.52	77.20	171.84	27.06	38.94	61.76	117.23
20	22.13	30.49	45.52	77.20	171.84	27.06	38.94	61.76	117.23

0 Year Summary					0 Year Summary				
10 Yrs. Pmts.	221.30	304.90	455.20	772.00	1718.40	270.60	389.40	617.60	1172.30
10 Yrs. Div'ds.	22.78	30.21	39.90	55.79	131.83	20.78	29.21	42.25	80.37
10 Yrs. NET.	198.52	274.69	415.30	716.21	1586.57	249.82	360.19	575.35	1091.93
Av. Net Payt.	19.85	27.47	41.53	71.62	158.66	24.98	36.02	57.54	109.19
10 Yr Cash Val	133.00	183.00	267.00	464.00	1701.00	184.00	267.00	464.00	1701.00
10 Yr Cost...	65.62	67.69	63.30	62.21	111.44	65.82	59.19	58.35	133.07
Average Cost	6.55	6.77	6.33	6.22	11.14	6.58	5.92	5.83	13.31

20 Year Summary					20 Year Summary				
20 Yrs. Pmts.	442.60	609.80	910.40	1544.00	541.20	778.80	1235.20	2025.90	3379.50
20 Yrs. Div'ds.	63.85	87.20	118.50	197.42	337.16	477.21	687.31	1000.20	1525.90
20 Yrs. NET.	378.75	522.60	791.90	1346.58	477.21	687.31	1000.20	1525.90	2025.90
Av. Net Payt.	18.94	26.13	39.59	68.58	23.86	34.37	50.01	76.26	101.29
20 Yr Cash Val	358.00	556.00	817.00	1522.00	497.00	796.00	1378.00	2025.90	3379.50
Settle't Div.*	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Tot. Payable...	383.00	581.00	842.00	1547.00	522.00	821.00	1403.00	2050.90	3404.50
20 Yr Cost...	142.25	168.40	115.21	1354.42	144.79	113.69	1302.01	1733.07	2267.37
Average Cost	12.21	12.92	17.61	117.72	12.24	16.68	115.10	17.29	22.67

*Return over Cost.
 *Settlement Dividend payable only on surrender if declared at time of surrender.
 (a) Includes Maturity Dividend of \$25.
 (b) Includes Maturity Dividend of \$10.
 (c) Includes Maturity Dividend of \$3.
 **This is merely an illustration. These figures are illustrative of the present dividend scale only and are not guarantees or estimates of future results. All dividends depend upon earnings, and a dividend scale is not likely to continue unchanged over a period of years.

**1941 ILLUSTRATIVE NET COST—NET PAYMENTS

Applicable to 3% Policies Issued After Jan. 1, 1935

FAMILY PROTECTION (Ordinary)

Issued for a minimum of \$25 monthly income. After 20th year on 20 Year Plan and after age 60 on Age 60 Plan the amount of insurance and the premiums are reduced to Whole Life Paid-Up at \$5 (\$1,000) issued at same age and date.

20 Year Term Period (\$10 Monthly Income from Death Within 20 Years)					20 Year Term Period (\$10 Monthly Income from Death Within 20 Years)				
10 Year Income					15 Year Income				
Ages	25	30	35	45	25	30	35	45	55
Premium	27.02	30.61	35.57	57.71	30.21	34.13	39.66	62.97	106.58
1	27.02	30.61	35.57	57.71	30.21	34.13	39.66	62.97	106.58
2	27.02	30.61	35.57	57.71	30.21	34.13	39.66	62.97	106.58
3	27.02	30.61	35.57	57.71	30.21	34.13	39.66	62.97	106.58
4	27.02	30.61	35.57	57.71	30.21	34.13	39.66	62.97	106.58
5	27.02	30.61	35.57	57.71	30.21	34.13	39.66	62.97	106.58
10	27.02	30.61	35.57	57.71	30.21	34.13	39.66	62.97	106.58
15	27.02	30.61	35.57	57.71	30.21	34.13	39.66	62.97	106.58
20	27.02	30.61	35.57	57.71	30.21	34.13	39.66	62.97	106.58

10 Year Summary					10 Year Summary				
10 Yrs. Pmts.	270.20	306.10	355.70	577.10	302.10	341.30	396.60	629.70	1065.80
10 Yrs. Div'ds.	88.19	89.36	90.10	105.50	106.40	106.52	120.71	121.18	120.74
10 Yrs. NET.	182.01	216.74	265.60	471.60	195.64	234.90	280.08	208.99	250.52
Av. Net Payt.	18.20	21.67	26.56	47.16	19.56	23.49	28.01	20.89	25.05
10 Yr Cash Val	89.00	111.00	143.00	267.00	111.00	146.00	209.00	111.00	145.00
10 Yr Cost...	93.01	105.74	122.60	107.54	123.90	144.08	119.99	139.52	163.16
Average Cost	9.30	10.57	12.26	10.75	12.39	14.41	12.00	13.95	16.32

20 Year Summary					20 Year Summary				
20 Yrs. Pmts.	540.40	612.20	711.40	1154.20	604.20	682.60	793.20	1259.40	2025.90
20 Yrs. Div'ds.	206.05	210.27	213.85	245.19	248.69	250.94	279.31	282.02	283.07
20 Yrs. NET.	334.35	401.93	497.55	909.01	433.91	542.26	580.09	461.38	580.73
Av. Net Payt.	16.72	20.10	24.88	45.45	21.70	27.11	29.00	23.07	29.04
20 Yr Cash Val	231.00	277.00	329.00	577.00	629.00	796.00	1065.00	1111.00	1207.00
Settle't Div.*	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Tot. Payable...	256.00	302.00	354.00	602.00	654.00	821.00	1090.00	1136.00	1232.00
20 Yr Cost...	78.35	99.93	143.55	103.01	131.91	188.26	124.09	159.38	226.73
Average Cost	3.92	5.00	7.18	5.15	6.60	9.41	6.20	7.97	11.34

Term to Age 60 (\$10 Monthly Income from Death Prior to Age 60)					Term to Age 60 (\$10 Monthly Income from Death Prior to Age 60)				
10 Year Income					15 Year Income				
Ages	25	35	45	55	25	30	35	45	55
Premium	28.61	36.71	50.74	75.71	35.74	39.87	45.17	61.48	90.41
1	28.61	36.71	50.74	75.71	35.74	39.87	45.17	61.48	90.41
2	28.61	36.71	50.74	75.71	35.74	39.87	45.17	61.48	90.41
3	28.61	36.71	50.74	75.71	35.74	39.87	45.17	61.48	90.41
4	28.61	36.71	50.74	75.71	35.74	39.87	45.17	61.48	90.41
5	28.61	36.71	50.74	75.71	35.74	39.87	45.17	61.48	90.41
10	28.61	36.71	50.74	75.71	35.74	39.87	45.17	61.48	90.41
15	28.61	36.71	50.74	75.71	35.74	39.87	45.17	61.48	90.41
20	28.61	36.71	50.74	75.71	35.74	39.87	45.17	61.48	90.41

10	17.69	25.07	37.81	145.71	21.07	24.85	29.75	44.86	145.71
15	17.21	24.43	37.45	143.59	20.24	24.24	29.25	44.54	143.59
20	16.68	23.70	37.12	141.51	19.66	23.51	28.74	43.78	141.51

10 Year Summary									
10 Yrs. Pmts.	286.10	367.10	507.40	658.40	357.40	398.70	451.70	614.80	731.90
10 Yrs. Div'ds.	84.62	89.08	98.11	94.21	114.12	116.32	118.86	127.30	105.28
10 Yrs. NET.	201.48	278.02	409.29	564.19	243.28	282.38	332.84	487.50	626.62
Av. Net. pay.	100.74	139.01	204.64	282.09	121.64	141.19	166.42	243.75	313.31
10 Yr Cost.	98.58	125.02	198.29	263.19	120.28	143.38	163.84	263.50	275.02

NEWS OF LIFE ASSOCIATIONS

Much Talent for Madison Congress

The sales congress at Madison, Wis., Friday commences with a luncheon,

with Marvin B. Rosenberry, chief justice of the Wisconsin supreme court, as speaker.

Herbert A. Hedges, Equitable Life of Iowa, Kansas City, trustee of the National Association of Life Underwriters, will be the main speaker at the afternoon session.

Other speakers are Brooks Fuller, assistant manager for Prudential, Chicago; Oliver Johnson of the Parsons agency of Mutual Benefit, Chicago, and Clarence A. Post, general agent of Provident Mutual in Milwaukee.

The University of Wisconsin 1941 Haresfoot Club will provide three acts



Brooks Fuller

Strong Program at Columbus Congress

COLUMBUS, O. — The Columbus Life Underwriters Association held its annual sales congress Saturday, with about 325 present. Speakers included C. L. Kluss, E. S. Hewitt & Associates, Chicago, "Capitalizing on Current Conditions"; Dewey R. Mason, general agent Aetna Life, Syracuse, N. Y., "Let's Decide"; H. P. Winter, assistant superintendent of agencies Union Central Life, Cincinnati, "Let's Hit the Jackpot," and Eric G. Johnson, general agent Penn Mutual Life, Pittsburgh, "Selling Ammunition for 1941." Paul E. Brown, Ohio State University football coach, was the luncheon speaker.

Mr. Kluss explained his way of using all the unfavorable conditions of the day to advance sales of insurance. He showed how he had been able to turn to good account the war, fear that life insurance companies would fail, federalization of insurance, etc.

Mr. Mason traced the development of new men in the insurance business, declaring that it is "twice as hard to do something you ought to do as it is to do something that you know you cannot do." He said any life insurance writer can do well the job of selling life insurance if he will only put the time and energy into the work that should be devoted to it.

Mr. Winter built his talk around the playing of the slot machine. He advised that agents look for men who are going places and try to sell them. Sales talks, he asserted, should be kept on the level of the prospect; one should not talk over the head of the prospect, or below him. An agent should time his approaches, taking advantage of the arrival of a new baby, the securing of a new job, or the placing of a mortgage. "When the need first arises," he said, "is the easiest time to sell; advising to buy later does not put money in the insurance salesman's pocket." Mr. Winter said the need of educational insurance should be impressed on fathers.

"The importance of the small-sized case cannot be over-emphasized," Mr. Johnson said, "especially when a large number of small cases is written. Small cases should be programmed so as to do the best job for the families of the insured. By such programming, the agent is playing a large part in the social welfare of his community."

In making a modest program, he suggested that the following things should be considered: Analysis of needs; organization of present insurance, and suggestions as to new insurance. He declared that every person should have an insurance program, and in a modest way this program should include a lump sum for a cleanup fund; a readjustment fund, and income until the child finishes high school. He said faith is the greatest requisite for writing insurance this year.

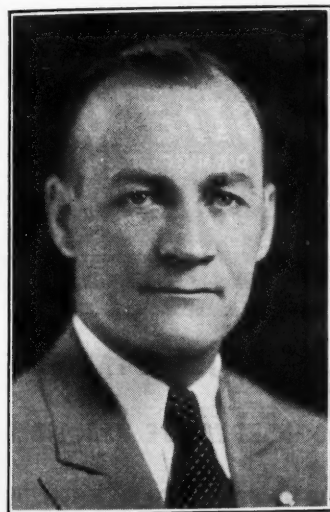
Wilfrid Jones, editor of "Association News," was a guest.

Old Policyholders Called Best Source of Prospects

NASHVILLE, TENN. — Fred C. Crowell of the "Insurance Field" addressed the Nashville Association of Life Underwriters, concluding a campaign that, according to Secretary J. B. Leath, Jr., increased membership 83 to 221, largest in its history.

A resolution introduced by President James Fly endorsing the candidacy of John A. Witherspoon, John Hancock Mutual, for president of the National association, was unanimously adopted. The association stood in silent respect to the memory of W. L. Mousette, an active member of the organization, who died last week.

"Every underwriter who is making the policyholder the principal source of



H. A. HEDGES

of entertainment during the afternoon. Included are the Firemen's Trio of 1940 football fame, Fred Gage, Johnnie Tennant and Mark Hoskins.

The program was arranged by C. Rex Welton. Paul C. Grimstad is in charge of ticket sales. John V. Hovey is president of the Madison association.

Moynahan Makes Double Showing

John D. Moynahan, Metropolitan Life, Chicago, who is vice-president of the American Society of Chartered Life Underwriters and president of the Chicago C. L. U., was featured at two meetings in Indianapolis Thursday. In the morning he addressed a breakfast meeting sponsored by the Indianapolis C. L. U., which was attended as well by Indianapolis general agents and executives of local companies. At noon he addressed the meeting of the Indianapolis Association of Life Underwriters on "Today's Market for Life Insurance." C. Fred Davis, president of the Indianapolis C. L. U., presided at the breakfast. Edward A. Krueger, State Life, treasurer of the American C. L. U. Society, introduced Mr. Moynahan.

Oren D. Pritchard presided at the luncheon. E. J. Ellsworth, treasurer Indianapolis association, and senior branch manager at Indianapolis for Metropolitan, introduced Mr. Moynahan.

Montreal — Bernard Vise, downtown Toronto manager of Imperial Life, gave a talk on "Serving by Saving."

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WALTER LEMAR TALBOT, *President*

new business has no prospecting problem," Mr. Crowell said. He cited a survey of 5,000 leader producers, showing 46 percent of the agents time was spent contacting old policyholders and from these contacts he obtained 70 percent of his new business. In doing this he visited each policyholder at least twice a year and telephoned each one at least four times.

The Nashville association has asked the support of the General Agents & Managers Association in securing the elimination of part-time and otherwise unqualified agents. Commissioner McCormack has stated that the support of these organizations is the one thing necessary to secure such eliminations.

Houze, Buckley at Oklahoma City

W. M. Houze, John Hancock Mutual Life, president Chicago Association of Life Underwriters, and L. M. Buckley, New England Mutual, past president of the Chicago association, will address the Oklahoma City General Agents & Managers Club the evening of March 25 and the Oklahoma Association of Life Underwriters the following day. Mr. Houze will speak on "Organizing Your Work for 1941" and Mr. Buckley on "Sand in the Hour Glass." They will go on from there to Wichita to attend the National Association mid-year meeting.

Oklahoma City expects to have a delegation of 30 at the Wichita meeting to promote the candidacy of Tom R. Reed for national trustee.

Feature Johnson in Iowa

Holgar J. Johnson, president of the Institute of Life Insurance, will be the featured speaker at the Des Moines sales congress May 2-3. He will talk at the banquet May 2. The dinner will be open to the public, with many prominent Iowa business men and home office executives of life companies invited. A. H. Pickford, general agent Provident Mutual, is general chairman.

The two-day meeting is sponsored by the Des Moines Association of Life Underwriters and will take the place this year of the spring sales congress usually held in Davenport.

Salt Lake City.—H. J. Syphus, superintendent of agents Beneficial Life, spoke on "Some Constants in a Changing World." He said: "Today more than ever before, the needs of the people constitute a new challenge to life insurance and the men and women engaged in its distribution. Life insurance is built upon a principle of truth, and while the application of life insurance to human problems may change as the aspect of the problems themselves change, the fundamental principle in life insurance remains constant."

Salina, Kan.—Roy Bailey, editor of the Salina "Journal," spoke.

Lloyd R. Miller, Northwestern Mutual, secretary of the Salina association, spoke to the Salina Metro Club on "The American Life Insurance Institution and Its Relation to the American People."

Pittsburg, Kan.—At a ladies night session, Hugh D. Hart, vice-president Illinois Bankers Life, spoke on "Why the Insurance Agent?" The rich and poor buy alike at the same rate, he said. Life insurance has done more to maintain democracy than any other institution.

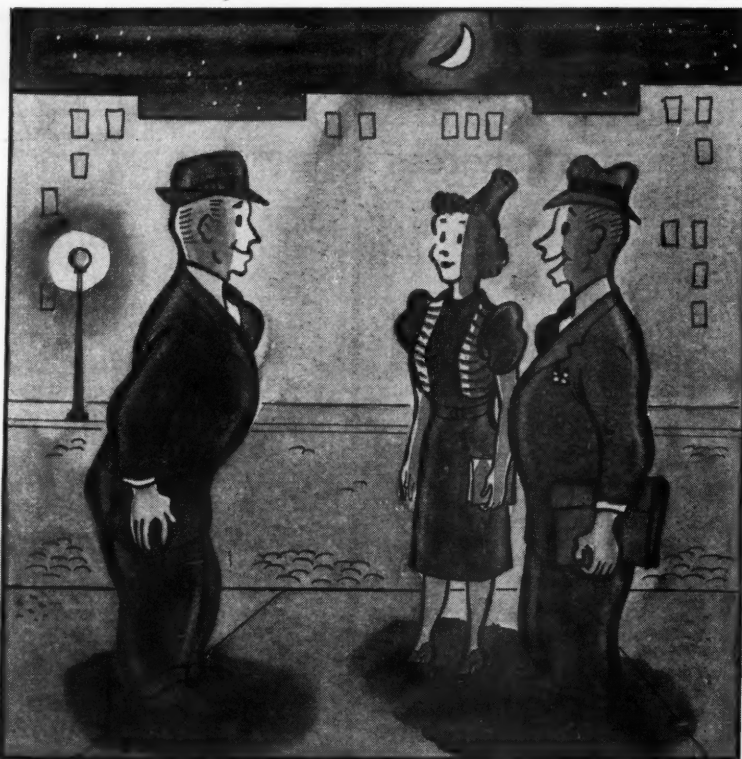
An active membership campaign has been started.

Springfield, O.—"National defense is developing a 'personal defense consciousness,' providing a rapidly-growing interest in the investment type of life insurance," William T. Earls, Connecticut Mutual general agent at Cincinnati, declared.

New Orleans.—A sales congress will be held at the Roosevelt Hotel April 25.

Bloomington - Normal (Ill.).—Bruce Crosthwait, general agent National Life of Vermont, conducted a round table on current events at the monthly meeting, among subjects discussed being the TNEC report of the life insurance investigation and the common disaster clause. Morris Fuller, vice-president State Farm Life, was a guest.

San Francisco.—Leroy A. Lincoln, president Metropolitan Life, who is now in



"On home calls in the evening my wife convinces my prospect's wife—then my prospect's wife convinces my prospect."

Los Angeles, has been invited to address a luncheon meeting next week. Ralph G. Engelsman, general agent Penn Mutual, New York, is scheduled to speak in April.

Under the leadership of R. M. Great-house, Connecticut General Life, chairman of the membership committee, a "follow-up" committee has been formed to follow through on the foundation laid by the officers of the National association at the recent sales congress in securing memberships.

Flint, Mich.—E. P. Balkema, Northwestern National Life, Detroit, president Michigan association, declared that one of the chief jobs of life underwriters is to provide security for policyholders during times of national stress. Increased taxation and the threat of war are making the problem of security much more acute for the average person, he said.

Sacramento, Cal.—An outstanding list of speakers has been procured for the training course which started this month and will continue to May 23. H. E. North, vice-president Metropolitan Life, opened the program with "The Job of Selling—A Challenge to the Life Underwriter." Marcus Gunn, vice-president and actuary California-Western National Life; J. W. Yates, Los Angeles general agent Massachusetts Mutual, and A. S. Holman, San Francisco manager Travelers, spoke at later meetings. E. C. Sparver, general agent New England Mutual, and James Hamill, assistant San Francisco manager Equitable Society, will speak March 22.

Milwaukee.—At the annual sales congress "Sales Ideas on Parade" was presented with Bert Nelson, Northwestern Mutual, program chairman, propounding questions to leading agents who responded with five-minute answers.

President F. C. Hughes, Mutual Benefit, summarized the talks. A playlet by Laffin Jones, agency assistant Northwestern Mutual, dramatizing "Life Insurance in Action" was presented.

Peoria, Ill.—R. W. Emerson, assistant director of agencies Northwestern Mutual Life, discussed "The Young Man in Today's Market."

Three agencies received 100 percent membership certificates, including Aetna Life, L. O. Schriver; Massachusetts Mutual, Reuling & Williamson, and Metropolitan, F. J. Manning, president Peoria Association.

Des Moines.—T. H. Tomlinson, assistant superintendent of agencies and director of the sales training department of Bankers Life of Iowa, will speak March 28.

Little Rock.—Harry B. Brown, assistant general agent Penn Mutual Life, will

serve as chairman of a committee to arrange the program of the sales congress to be held in April as a part of the annual convention of the Arkansas association.

Pueblo, Col.—A sales congress will be held May 17. Delegations from throughout the state have signified their intention to attend.

Toledo, O.—Paul W. Cook, general agent Mutual Benefit Life, Chicago, will speak March 22 on "Business Life Insurance."

Seattle.—V. B. Coffin, vice-president Connecticut Mutual Life, spoke on "Sensible Selling in 1941."

Akron, O.—Eric G. Johnson, Pittsburgh general agent Penn Mutual Life, spoke on "Selling Ammunition for 1941."

Fort Wayne, Ind.—The tri-state sales congress will be held March 27, with 400 from Indiana, Ohio and Michigan expected to attend Earl M. Schwemm, Chicago general agent Great-West Life, will talk on "What Is Wrapped Up in a Life Insurance Policy?"

St. Louis.—Paul Troth, supervisor publicity Home Life of New York, spoke Thursday on "Ideas That Click."

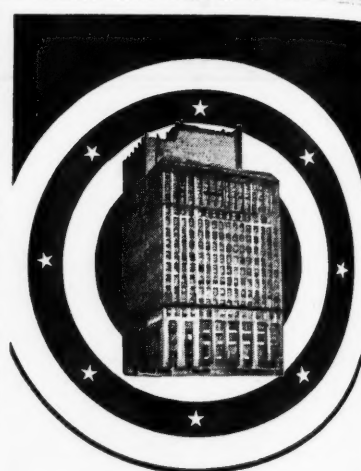
Cunneen at Worcester, Mass.

The program of the U. S. Chamber of Commerce in the insurance field and its conservation activities were outlined to a group of insurance men by T. F. Cunneen, executive assistant for insurance, at a luncheon at Worcester, Mass.

Chandler Bullock, president State Mutual Life, who presided, called the meeting unique in that it was, he said, one of the few occasions upon which representatives of all lines of insurance had gathered in that city.

Mr. Cunneen said business men can become a more potent force in law making. Already more than 1,100 legislative committees—an average of more than two in each congressional district—have been organized by chambers of commerce and trade associations. He reviewed recent insurance developments in Washington, particularly the TNEC proceedings.

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BISMARCK, NORTH DAKOTA



LEGAL RESERVE FRATERNALS

W. O. W., Denver, Reports on Its Results Last Year

Woodmen of the World, Denver, had admitted assets \$17,743,782 on Dec. 31. It carried an investment contingency reserve of \$625,000, reserve for mortality fluctuation \$755,000, reserve for general contingencies \$138,244 and its legal reserves totaled \$15,463,836. A surplus for additional safety of \$563,786 was reported.

The assets included cash \$151,108; U. S. treasury bonds \$351,848; state, county, municipal, road and school district bonds \$14,060,765. The head office building in Denver, the only real estate owned, was carried at \$44,000; policy loans and liens \$2,619,661. No real estate first mortgage loans were held.

Since organization 51 years ago, W. O. W., Denver, has paid total claims \$84,890,216.

Fidelity Life 1940 Figures

Fidelity Life of Fulton, Ill., reported in the annual statement \$11,782,006 assets, an increase of \$264,945. Liabilities including reserves totaled \$10,091,611, an increase of \$248,755; total insurance in force \$51,699,874, an increase of \$324,470 and \$6,773,777 new insurance was written last year. Total membership was 58,262, there being 9,534 added in 1940. Benefits paid totaled \$1,069,177 and since organization \$34,439,417.

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Life Association

Fulton, Ill.

45th YEAR

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Supreme President

Frances D. Partridge

Supreme Secretary

Port Huron, Michigan

PROTECTED HOME CIRCLE

SHARON, PA.

FOUNDED IN 1886

A Legal Reserve Fraternal Insurance Society

S. H. HADLEY, Supreme President

L. D. LININGER, Supreme Secretary

SHARON, PA.

Royal Neighbors Increases Assets, Reserves in 1940

Gains in admitted assets, legal and contingent reserves, and income are shown in the annual statement of Royal Neighbors, Rock Island, Ill. Admitted assets Dec. 31 totaled \$77,671,813, increase \$6,831,757, or 9.6 percent. This gain exceeds the 1939 increase in the amount of \$854,344.

Legal or tabular reserves totaled \$60,815,270, increase \$2,688,594. Insurance in force was \$361,203,384, including \$315,020,884 adult and \$46,182,500 juvenile.

Special or contingency reserves, interest and mortality fluctuations aggregated \$12,896,559, gain \$3,876,553, or 42.98 percent. Total 1940 income was \$12,436,322, gain \$1,179,716. Death benefits and payments to members totaled \$4,132,800. Since organization in 1895, benefits paid have totaled \$112,434,837.

The mortality ratio was 59.74 percent of expected compared to 61.494 percent in 1939. Net interest rate was 4.07 percent on benefit funds compared to 4.04 percent in 1939.

Royal Neighbors operates in 42 states and District of Columbia.

Certificates in force are: Adult 431,352, juvenile 56,369. Membership Dec. 31 was 506,357, including 420,412 adult beneficial, 56,208 juvenile beneficial and 29,737 social members.

There are 6,086 adult camps, 3,381 juvenile camps. Adult certificates written in 1940 totaled 9,452, and juvenile 12,168.

Two Fraternal Bills in Michigan

LANSING, MICH.—The Michigan house insurance committee is considering proposed legislation to force all fraternal to go on a legal reserve basis immediately. An existing statute requires these societies to meet legal reserve requirements by the end of this year.

A hearing is to be held this week on a bill requiring a fraternal which is reorganizing to be ready to pay each member his entire contribution, plus 5 percent interest, or else obtain waivers from two-thirds of the membership, in order to maintain its license.

Agent Bell Wins 1940 Award

George Bell, district agent Gleaner Life in Lapeer county, Michigan, was awarded the distinguished service award at the annual convention held in Detroit. He is a member of the \$100,000 Club and started with the society at Adrian in 1930, being transferred to Lapeer in 1934.

Czechoslovak Society Moves

Czechoslovak Society of Cicero, Ill., which this month is celebrating its 87th year of operation, has moved to a new home office in 5603 Cermak Road, Cicero. This is a modern structure with fluorescent lighting. Czechoslovak Society has 165 members who are over 85 years of age. There were 603 deaths last year and benefits paid totaled \$415,220. Insurance in force Dec. 31 totaled \$20,841,280 and there were 32-

369 members. The average age of members was 46½ years. Assets were \$4,549,925, increase \$236,508. Dividends paid totaled \$39,039,072. The ratio of solvency was 120.41 percent. Interest earned averaged 4.01 percent. Mortality ratio was 80.04 percent of expected, a decrease. W. J. Muzik is president and Anton Turck, secretary-treasurer.

Equitable Reserve Totals

Equitable Reserve of Neenah, Wis., at the end of last year reported total insurance in force \$34,438,197, with 49,777 members. New insurance written last year totaled \$1,512,974. Assets were \$9,306,549 an increase of about \$236,000; liabilities including reserves \$8,483,716. There was paid in benefits last year \$753,001 and since organization \$19,641,301.

A. O. U. W. of N. D. Results

Total assets \$11,881,691 as of Dec. 31 were reported by A. O. U. W. of North Dakota in the annual statement. There was a special reserve for bond fluctuation of \$146,755, investment contingency reserve \$229,460 and unassigned funds \$389,003. Policy reserves totaled \$10,572,566.

The assets included cash \$454,472; U. S. government bonds \$351,914; state, city, county, railroad and public utility bonds \$2,308,541; certificates loans and liens \$3,238,057; automatic premium loans \$319,326; first mortgage loans \$1,528,020; real estate \$3,183,810; interest and rents due and accrued on investments \$365,128.

Miller Gets Chicago Post

James Mann Miller, general counsel of Woman's Benefit, Port Huron, Mich., was appointed vice-president and general counsel of the Chicago Street Railways Company. He will continue his fraternal legal work and connection.

WOODMEN OF THE WORLD

Five Modern Legal Reserve Contracts

- Ordinary Life
- Twenty Payment Life
- Endowment at Seventy
- Twenty Year Endowment
- Family Income

These contracts are participating, and provide all standard non-forfeiture options.



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TWOFOLD SERVICE BRINGS PROGRESS

Royal Neighbors of America was chartered in 1895 with a membership of 4,124 in 100 camps and insurance in force of \$576,000. Today the Society is one of the leaders in its field, figures of Jan. 1, 1941, showing: Membership, 506,357, camps 6,086; insurance in force, \$361,203,384; admitted assets, \$77,671,813.59, and claims paid, \$112,434,837.31.

This progress is attributable to the Society's principle of twofold service—*Protection and Fraternalism*. This principle was firmly implanted by its founders and has been a guiding light for 46 years.

In *Protection and Fraternalism* the Society has been alert to progress, offering legal reserve life insurance for the whole family, benefits of camp activities, financial aid from its fraternal fund for needy members and benefits of the Royal Neighbor Home to worthy members.

Protection and Fraternalism is a principle that is diligently guarded by

ROYAL NEIGHBORS of AMERICA

SUPREME OFFICE

ROCK ISLAND, ILL.

[Was Greatly Beloved] [Is Nationally Mourned]

His words on Life Insurance to Men and Women
in all Walks of Life — *Will Live Forever.*

Will Rogers said:

"When I buy life insurance, not only do I know where I am at, but my family knows where they're at. If you don't believe in Life Insurance, just try dying without it."

EQUITABLE RESERVE ASSOCIATION

NEENAH, WIS.

(A Great Friendly Society with a record of 44 years of real service to its members.)

Data Enlarged in 1941 Little Gem

(CONTINUED FROM PAGE 3)

innocent bystanders to actual service as a soldier or sailor.

For each of more than 150 companies, the Little Gem shows the policy provisions first, followed by rates for some 12 to as many as 48 contracts per company. In all, rates on over 2,700 ordinary contracts are shown, hundreds more than other similar books include. Disability and double indemnity rates follow. Cash values, including those at retirement ages of 55, 60 and 65 and the incomes payable on current contracts come next.

For participating companies, the famous net cost-net payment illustrations of the Little Gem follow. These are the illustrations which have the dividend already subtracted from the rate to save the user's time. Summaries are shown in detail at every age for both 10 and 20 year periods. Ordinary life and popular special contracts are shown for every age of issue, the 20 pay and 20 year endowment and other special forms being shown at 5-year age intervals. Actual dividend histories are also shown with detailed summaries.

Other Important Features

Other important features of the new Little Gem include large sections devoted to juvenile insurance, to immediate annuities and to industrial, also showings of the years to pay up or mature contracts through dividends together with the accumulations and additions for 10 and 20 years. Retirement contracts are shown right with the data on ordinary contracts and the Little Gem covers a great many more of these currently important policy forms than any other small book.

The Little Gem gives the answers to all sorts of questions that come up in working with people who already own life insurance. It is especially helpful with those who think they have enough, because it tells exactly how much income the present insurance will provide, what retirement values are available, what pension will be payable from social security and how much more is needed to accomplish desired purposes.

Social Security in Nutshell

The social security information in the Little Gem really tells the whole story in a nutshell. The Little Gem social security tables have been called by enthusiastic agency men "so complete and perfect that they are not open to improvement—that any change would make them less valuable. With them you can get the answer easily, quickly and without computation."

With each new Little Gem will be supplied numerous illustrations of some of its best business-building uses such

as in avoiding competition, selling incomes, closing "stallers," building prestige and making programming work simpler and easier with consequent savings in time both with the prospect and in the office.

Report Financial Standing

Another unique feature of the new Little Gem is its financial and operating report section of some 80 pages covering 225 companies and showing 20 items from the statement of each for a four year period. Those reports include considerable information not available from similar books such as mortality ratios and rates of interest earned and numerous other items. No other similar book provides anywhere near as broad a coverage of the financial and business figures of the companies.

For Canadian agents, there is a special Canadian Little Gem including all the prominent companies operating in Canada. It is the only thoroughly compiled reference book for Canada giving all the needed data in a single low cost volume.

Thousands of agents have found that the extra information which the Little Gem contains, (frequently such information as data on local companies not available elsewhere) gives it an important extra value. Copies of the 1941 edition will be delivered in the sequence in which the orders have been received. While the single copy price is \$2.50, company club rates, which in many cases are considerably less are allowed to all agents. Orders should be addressed to the Statistical Division, The National Underwriter Company, 420 East Fourth street, Cincinnati.

Captain Clarence W. Springer of the 31st division, U. S. A., represents New York Life at New Orleans in civil life, and is a member of the company's "Top Group." Captain Springer recently completed a 35-day drive in which he and his organization sold \$30,673,000 of national service insurance at Camp Blanding, Fla. This outdoes sales among a comparative group in the last war. A regimental insurance officer for each of 15 regiments in the division and a company officer for each company aided Captain Springer in placing the government insurance.

Chrysler Pension Trust Is One of Largest Written

Chrysler Corporation has put in effect one of the largest pension trust plans in the country, which affects 1,550 employees, including 14 officers. It is estimated \$2,800,000 will be required to purchase the life contracts immediately on employees over 55½ years of age, of which \$1,350,000 will cover past services and \$1,450,000 future services. About \$2,125,000 will be the single premium on contracts covering past services of employees between 39½ and 55½ years of age.

The plan provides retirement incomes at 65 for employees receiving salaries exceeding \$250 monthly, effected by purchasing retirement income contracts.

No life company is mentioned, but it is rumored the company is Northwestern Mutual, and legal reserve life insurance is stipulated in the agreement.

Maximum retirement income is \$1,800 per month, save for the \$2,100 monthly for President K. T. Keller; B. E. Hutchinson, finance chairman, \$1,950 monthly, and F. N. Zeder, board vice-chairman, \$1,900 monthly.

Other employees are to receive 36 percent of their monthly salaries, with a minimum of 1½ percent of their total earnings over \$20 per month during the period ages 39½ to 65. Employees pay 5 percent of monthly salaries exceeding \$250 but not more than \$1,000 a year, on a salary deduction basis. Chrysler Corporation will make up any excess needed to put the contract in effect.

Lamar Life Agents Meet

An agency meeting of Lamar Life was held at Dallas, March 17-18.

J. Y. Webb, state manager, and Edgar G. Olden, state agency supervisor, both of Dallas, entertained officials and those attending the school.

P. K. Lutken, president, and Dr. H. M. Faser, superintendent of agencies, attended along with agents from north Texas.

Similar schools are being held in San Antonio, March 20-21 and in Houston, March 24-25.

Boston Mutual Life is preparing to issue a new minor 20 payment life policy in the industrial department to be issued at ages 1-15 next birthday.

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A Pure Protection . . . ordinary or
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Our limited pay policies permit
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Without cancelling policy
... OR ...

Without note, interest or reducing policy

Many other new features
that appeal to thinking people

Commissions that will interest any
salesman. Previous experience not essential

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Life Insurance Company
TEN EAST PEARSON STREET, CHICAGO

Chicago "Scratch" Agency in Decade Sells \$36,981,135

The tenth anniversary of the H. G. Swanson agency of New England Mutual Life in Chicago was marked with a dinner, attended by a number of other general agents, bankers and other friends as well as members of the agency and was addressed by President George W. Smith, who made the trip to Chicago especially for the purpose. Mr. Swanson started the agency from



H. G. SWANSON

scratch and the record that he has made is a source of universal respect in his city. During the decade the agency has developed a clientele of 7,408 and has sold a total of \$36,981,135 of insurance.

Mr. Swanson is a quietly poised and effective administrator and leader. He has made his mark without much ado about it. He is proud of the producers that have been developed under his administration and the roster is impressive. J. H. Prentiss, Jr., who is a member of the Million Dollar Round Table, was developed in Mr. Swanson's office. Miss Margaret Henderson is an outstanding woman agent and last year paid for more than \$500,000.

Head Table Dignitaries

Those at the speakers' table included the three other general agents in Chicago of New England Mutual Life—Edgar S. Fowler, Julius H. Meyer and E. B. Thurman. Then there were W. M. Houze, general agent John Hancock Mutual and president Chicago Life Underwriters Association; John D. Moynahan, Metropolitan Life, president of the Chicago C. L. U. and chairman of the general agents and managers division; Chris M. Smits and Spencer Hart, vice-presidents of Continental-Illinois National Bank. Mr. Smits was the first policyholder of the Swanson agency. Also there were Leslie Reid of City National Bank and K. R. Clark, a pension trust attorney.

Frank Lodge, who has been with the agency nine years, made a presentation to Mr. Swanson and H. L. Cundy bestowed upon the general agent a shower of applications.

Arthur Myrland, who retired after 10 successful years in the Swanson agency and now resides in Mexico, where he owns 10,000 acres, showed some colored movies that he had taken during a trip to South Africa.

President Smith, in his talk, observed that security has always been the background of New England Mutual Life. The company, he said, has grown rapidly and its ordinary business has progressed as rapidly as any other company. He pointed out that the assets 10 years ago, when Mr. Swanson started, were \$225,000,000 and are now \$502,000,000.

Insurance in force a decade ago was \$1,200,000,000 and is now \$1,600,000,000.

The persistency in New England Mutual, he declared, is as good as that of any of the older type of company.

He recalled that in its 100 years, New England Mutual has always carried out its promises to the letter. Even following the Civil War, he said, New England Mutual hunted up its assured in the South and put their policies in force.

Mr. Smith remarked that the country is entering into a new phase of activity by reason of the passage of the leasehold bill. Business averages are on a high level. It is impossible to estimate the increase in business that will occur by the end of the year. It is impossible to forecast trends more than a month ahead these days, he said. All that a life insurance company can do is to invest safely and currently, following the same rules that have been followed during the past 75 years. The asset structure should be charged down to granite base, for the good of the policyholders later on. Management must be realistic in facing the facts.

He expressed confidence that the American tradition of self dependence will not be cast aside and that there is a great future ahead for life insurance, "one of the great character building assets of the United States."

Minn. Mutual Chicago Regional

A regional meeting for middle western agents of Minnesota Mutual Life is being held in Chicago this week with nearly 120 in attendance. Vice-president and Agency Manager Harold J. Cummings is in general charge. He presided at similar roundups held earlier this month in Monterey, Mexico, and Albuquerque, N. M. Other members of the Minnesota Mutual official family who are attending the gathering in Chicago are T. A. Phillips, president; A. D. Harmer, agency secretary; E. A. Roberts, vice-president and general counsel, and H. W. Allstrom, vice-president and actuary.

There was a get together meeting of general agents Wednesday. Hugo Victor and Norbert Winter, heads of the company's leading general agencies in St. Paul, were in charge of the opening session Thursday. Louis Furniss, general agent at Grand Rapids, Mich., was toastmaster at the banquet. C. J. Zimmerman, past president of the National Association of Life Underwriters, was the featured banquet speaker.

Lloyd Douglas and George Ostergren, general agent at Detroit, and Paul Williams, Minneapolis general agent, will be in charge of the session Friday. Discussions will center on prospecting, inflation, government insurance, and the probable effects of the draft on production. A similar regional meeting will be held in Williamsburg, Va., next week and Seattle two weeks hence.

Metropolitan Shifts Two

NEW YORK—Karl H. Kreder, former manager for Metropolitan at DuBois, Pa., has been named to succeed Nathan Berger as manager at Charleroi, Pa. Mr. Berger has been transferred to Philadelphia.

Following graduation from Princeton Mr. Kreder joined Metropolitan as agent in Lackawanna, Pa., and subsequently served as an assistant manager in Wilkes Barre. In February 1939 he was appointed manager in charge of the company's district at DuBois.

Mr. Berger becomes manager of the company's Girard district in Philadelphia.

A native of Philadelphia, Mr. Berger was in the real estate business in that city before joining Metropolitan as an agent in January 1930. He served as agent and assistant manager in the Germantown and Rittenhouse districts of Philadelphia, and in Chester, Pa., until February 1938 when he was appointed manager at Charleroi.

Military Service & Life Insurance answers all your questions. 50c, National Underwriter.

Bowles of Virginia in Strong Plea for State Supervision

DANVILLE, VA.—Speaking before the Western Virginia Sales Congress here under the joint sponsorship of the Virginia Association of Life Underwriters and the Danville association, Commissioner Bowles declared that state supervision would be unfaithful to its great trust if it did not oppose with all its heart and power any attempt to wrest away from the states their sovereign rights to supervise the business of insurance.

Duty to Protect Citizens

"It would seem self-evident that it is the states' duty to continue to guard and protect the interests of their citizens in matters so vitally affecting their welfare. Can it be said that insurance supervision should be transferred to some far-off agency which is out of touch with the lives and fortunes of the people most concerned and which has no opportunity to evaluate local conditions and needs? There are some matters over which the individual states should insist upon exercising their sovereign rights. Certainly, in view of its personal nature, insurance should be one of the most important.

Grown Up With Business

"State supervision has grown up with the insurance business. It is part and parcel of it. Is there a demand for a change in a system which has proved so satisfactory over a period of 100 years? In my opinion, there is no demand except by those who seem to have an unquenchable thirst for federal power. There is no reason to change something which has been proved beyond the shadow of a doubt as good; something which has proved itself best adapted to meet the insurance needs of our population."

John A. Witherspoon, Nashville general agent John Hancock Mutual, and vice-president National association, talked on "Motivation." Other speakers were W. H. Andrews, Greensboro general agent Jefferson Standard, National association trustee; and B. H. Maitland, Danville, member Virginia house of delegates.

Wilson M. Brooks, Richmond general agent American National, was introduced as the organizer and first president of the Virginia association.

Frith 50 Years with Travelers

A half century of service was completed March 17 by Arthur J. Frith, manager of the life, accident and group lines of the Travelers branch in Los Angeles. Mr. Frith has served 39 years as branch office manager and 11 as supervisor of a Travelers general agency.

A dinner was given him by officers of Travelers. Vice-president H. H. Armstrong and Esmond Ewing were present from the home office, and 250 branch office heads and agents from the Los Angeles territory were guests.

In a personal letter L. E. Zacher, president of Travelers, called attention to the fact that in 1940, the paid premiums for life, accident and group business in the Los Angeles office aggregated more than \$3,500,000, about equal to total premiums of Travelers in 1891 when Mr. Frith first represented the company.

Mr. Frith was one of the first life, accident and group managers appointed by Travelers and the first to achieve 50 years' service. He joined Travelers in 1891 with Horace W. Powers, Ohio state agent. Eleven years later, when Travelers established its Cleveland branch office Mr. Frith was appointed manager. In 1918 he was transferred to the home office as assistant superintendent of agencies in charge of the life and accident department covering greater New York. In 1927 he was given the managership of the Los Angeles office.

'Peoples' Group Has New Message

The Peoples Committee to Defend Life Insurance & Savings of Cincinnati is now distributing a new leaflet to lists of persons believed to be holders of life insurance and savings accounts.

"The new deal administration in Washington . . . has indulged in reckless political expenditures which have caused high taxes. It has sponsored ill-advised measures which restrict industry and business and cause unemployment, idle money and low interest rates. These are some of the reasons for the greatly reduced earnings on your life insurance and savings," the leaflet asserts.

"New deal policies have made it more difficult to pay for life insurance. Legislation and taxation which put the skids under industry cut their wage paying power to the bone—because taxes come ahead of wages. But the end is not yet.

"You will be subjected to further loss if certain proposals advocated by members of the new deal are enacted.

"One of the powerful groups in Washington has recommended that life insurance funds be placed under government supervision and used in part to purchase common stocks in which great risk is involved. This would be a calamity to policyholders."

The St. Lawrence seaway and power project is assailed in the leaflet on the ground that if the national government uses public funds for tax-free subsidized competing transportation and power facilities, existing railroads and power plants, which must pay heavy taxes, will be placed at great disadvantage.

"To the extent that this loss of revenue is reflected in the value and earnings of their securities held by mutual life insurance companies, policyholders will suffer a direct loss."

The leaflet urges support of the Walter-Logan bill providing that persons who feel they are injured have the right to appeal from federal commissions to the courts.

Pilot Life Has Retirement Plan for Ordinary Agents

GREENSBORO, N. C.—A pension plan for ordinary agents was made effective as of Jan. 1, 1941, by Pilot Life. Benefits are based on volume, persistency and years of service.

To be eligible for benefits, an agent must be in continuous service to age 65, with at least 10 years' service, or to age 60-64, with 15 years' service, beginning Jan. 1, 1941. Any agent or general agent can earn benefits after a year's service.

The plan is non-contributory. Production requirement is \$150,000 of gross deliveries during each two-year period to retirement. Persistency requirement is 75 percent. Maximum monthly income which an agent may earn is \$200.

Agents 50 or above, with 10 years' or more service on Jan. 1, 1941, will receive additional benefits. Agents 55 or above, with 10 years' service may start receiving income at 65, though under the plan less than 10 years.

Agents will be notified of standings each month with a cumulative statement at the end of the year showing monthly income at 65 already earned.

Equitable Society Managers to Meet in New York

NEW YORK—Equitable Society's general agents, managers and home office agency executives will meet Monday and Tuesday at the Hotel Pennsylvania, for their annual conference. Vice-president W. J. Graham will preside. A number of other officers are on the program.

This week the Equitable "Old Guard"—general agents and managers with 25 or more years of service—is meeting at Atlantic City. Mr. Graham and other agency department executives are attending.

OBSERVATIONS

Raymond Moley, in his weekly back page of comment, captioned "Perspective" in March 10 issue of "News Week" deals with the Gesell-Howe report on life insurance. It will be remembered that in the earlier years of President Roosevelt's first term Prof. Moley, fresh from his faculty seat in Columbia became one of the most famous "brain trusters" and sat close to the throne with the janizariats. At that time the columnists in great eclat paraphrased the hymn "Holy, Holy, Holy, Lord God Almighty" by substituting "Moley" for "Holy." Later on Prof. Moley broke with the New Deal, not being in accord with some of its more advanced policies. He became one of the most vocal and yet able members of "His Majesty's Loyal Opposition" a role that Wendell Willkie stated he would also assume in his pronouncement shortly after the November election.

Mr. Moley cites the fact that Gerhard Gesell and E. J. Howe in their report announced they were not speaking for the SEC or the TNEC. Then SEC Commissioner S. T. Pike appeared before the TNEC to make recommendations based on the Gesell-Howe report. And it was made plain that the two spoke neither for the SEC or the TNEC. Mr. Pike sponsored certain limited federal supervision while TNEC chairman, Senator O'Mahoney of Wyoming expressed disapproval of federal regulation of insurance. While the Gesell-Howe report was critical of life insurance practices in many ways, Senator O'Mahoney observed that "by and large the companies have come through the study in pretty good shape."

Mr. Moley states the public mind is confused by news emanating from Washington. Messrs. Gesell, Howe and Pike are all connected with the SEC. The people, he said, will not stomach the statement that they are issuing the report as private citizens. It was printed in the government printing office, was released through government channels and was discussed by a governmental official before an investigating committee whose chairman disclaimed it.

Mr. Moley contends that the TNEC is responsible for the report. Gesell and Howe are officials of the SEC which farmed out the investigation of life insurance to the TNEC and these two men took a most prominent part in it. The SEC, he declares also is responsible because it is the superior body.

The TNEC is not a legislative or executive investigating body. It is a hybrid as Mr. Moley points out. He shows that the SEC's original assignment was to study "investment funds controlled by our great insurance companies . . . with particular relation to their use as an instrument of economic power." Yet the SEC immediately set aside the terms of the assignment, and as Mr. Moley describes it "searched into every aspect of the life insurance business from the training of agents to methods of soliciting business." Hostile lines of questioning, he adds, were steadily pursued. It has been obvious in his opinion, that the investigators and experts have conducted the inquiry in such a way as to raise the question whether they were engaging in a quiet, scientific search for facts or trying to make a case for some sort of federal regulation of insurance.

Mr. Moley concludes that "what is now crystal clear is that every aspect of the Gesell-Howe report, the Pike recommendations and the yet-to-be-made TNEC report on life insurance will have to be discounted in the light of the whole record."

Life company officials are studying the figures of the weekly premium companies in the sale of ordinary insurance during the last year. Seemingly the industrial agents made an unprecedented record in the new business they pro-

duced. It shows there is something to be gained in time control. They are making regular calls, are losing no time and the so-called industrial insurance buyers are now in better financial shape than they have been because with the large defense program in progress, wages have been increased and there are far more men being employed. In fact, anyone who is a skilled craftsman has no trouble in getting a job. A lesson might be drawn from the industrial life people because their business is increasing rapidly, while that of the ordinary solicitors does not show the same progress. It may indicate that the ordinary people are confining themselves too much to what might be called the white collar workers and are not getting the prospects that can buy insurance at this time, viz., the wage earners.

Try to Sell Business of Monument Life, Indiana

INDIANAPOLIS — In connection with the liquidation of Monument Life of Indianapolis some efforts are being made to sell the business.

A conservator was appointed by the court last summer and the order was amended in December for the company to be liquidated by the insurance department. The company is a mutual.

While the financial condition is not definitely determined an impairment of \$13,000 is estimated. There are sufficient funds to pay all outstanding death claims. Some \$25,000 is deposited with the department as required. About one and a half millions ordinary is in force and a little industrial. J. O. Thayer is president and C. A. Woods manager.

Metropolitan Home Office Group Tours Pacific Coast

SAN FRANCISCO — Headed by President L. A. Lincoln, a group of home office executives of Metropolitan Life are on a trip through the Pacific Coast territory, holding conferences with managers, assistant managers and selected groups of agents, attended also by Henry E. North, vice-president in charge of the Pacific Coast head office and other Pacific Coast officials.

Meetings were held in Santa Barbara March 20-21 and in San Francisco March 24-26. Others will be held in Seattle March 28-29 and Salt Lake City April 1.

Accompanying President Lincoln are: E. H. Wilkes, vice-president; Samuel Milligan and Francis Smith, second vice-presidents; Cecil J. North and Arthur Tretheway, third vice-presidents.

Officials from the Pacific Coast head offices attending the conferences, in addition to Vice-president H. E. North, are: J. A. Smithies, superintendent of agencies; J. O. Klein, assistant superintendent of agencies; Dr. P. Shepard, assistant secretary in charge of the welfare division; L. J. Schmoll, assistant secretary ordinary department, and F. B. Sloat, manager industrial department.

Conventions

March 21—Montgomery, Ala., sales congress.

March 21—Connecticut sales congress, New Haven, Conn.

March 22—New England sales congress, Boston.

March 22—Mobile, Ala., sales congress.

March 25—Wisconsin Sales Congress, Lorraine Hotel, Madison.

March 27, New York City Sales Congress, Hotel Pennsylvania.

March 27-29—National Association of Life Underwriters (Mid Year), Wichita, Kansas Hotel.

April 3-4, Florida Association of Life Underwriters, West Palm Beach, Hotel George Washington.

April 18—Illinois Association of Life Underwriters, Chicago.

Drive to End Policyholder Tax

The U. S. Chamber of Commerce is distributing a leaflet "Thrift and Taxes" which is a supplement to its bulletin "Invisible Taxes on Policyholders Through Special State Insurance Taxes, Licenses and Fees." The material is based upon a radio script which has been distributed to the entire organization membership of the National Chamber.

"In looking about for new sources of revenue to be tapped, government has been turning its attention to insurance," the leaflet states. "The insurance companies have built up reserves running into millions of dollars. It would appear, on the surface, that they are well able to pay substantial sums to the government in the form of taxes."

"But the fact is hidden, or overlooked, that the insurance companies themselves do not own these billions—any more than the banks own the money deposited in their vaults. They are merely the agencies which hold these billions in trust for their policyholders."

"The pooling of these savings does not change their character or place them in the class of what might be called surplus wealth, any more than they would cease to be savings if they were deposited in a savings bank. None the less they are subjected to various kinds of special taxes—premium taxes, fees, licenses, and service charges of one kind or another—and these taxes have been increasing year by year."

"Out of every dollar of insurance taxes collected by state governments in 1939 only 4.71 cents was spent for supervisory service to policyholders. The rest went into general funds to defray the expenses of the governments."

"In other words, the policyholder, who pays taxes like any other citizen, is subjected to an additional tax because he is a policyholder."

"If this round about method of collecting money for governmental purposes is to continue, the policyholder will have himself to blame. It will be stopped only if he and the thousands of other policyholders tell their representatives in the legislature that they want it stopped."

Troth Captivates Chicago Group

Paul Troth, supervisor of publicity of Home Life of New York, was the speaker at a luncheon meeting of the Chicago Association of Life Underwriters Wednesday. Honored at the luncheon were agencies which have 100 percent enrollment in the association and the heads of these agencies sat at the speakers' table.

William Houze, John Hancock Mutual Life, president of the Chicago association, presided.

Mr. Troth has a journalistic background, having been an assistant editor of the "Eastern Underwriter." In addition, he is a cartoonist of no mean ability which he presently demonstrated to his audience. With Home Life, he has been a pioneer in putting the product of life insurance before agents and the public with pictures as well as words. He is a young man who knows life insurance and how to express himself, leaving an impression of cleverness and boundless energy.

Mr. Troth's unique method of presentation consisted in illustrating his verbal points by humorous cartoons. Asking the audience to regard him as a typical prospect for life insurance, he proceeded to enumerate approaches which would impress him. First of all the agent would have to show enthusiasm for his product and conviction in its worth. He should stress the fact that he is offering a service to the prospect not merely making a sale.

Among the points the salesman must make is that old age is a barren time for the average man and that insur-

Legal Aspects of Options Studied

NEW YORK—"Settlement option arrangements are of vital interest to members of the legal profession because of the vast influence they will exert upon the daily operations of the legal profession in the years to come," stated James E. Barton, title supervisor in charge of settlement options for Home Life, before the lawyers' course sponsored by the Life Underwriters Association of the City of New York.

To show how legal aspects of settlement options can directly influence the work of an attorney in advising the widow and children of a deceased client, a typical American family was used to illustrate each example of those phases of the settlement options with which the attorney would be likely to come in contact.

Mr. Barton illustrated how payment of a clean-up fund directly to the insured's wife might expedite payment of most pressing expenses at the time of insured's death, but, on the other hand, how payment of the clean-up fund direct to insured's executor or administrator might effectuate a more satisfactory and prompt settlement of the insured's estate. The manner in which a mortgage fund is paid may, or may not, result in a satisfactory liquidation of the mortgage indebtedness. Cash payment of a mortgage fund may be advisable where the mortgage contains an acceleration clause permitting immediate satisfaction of the mortgage at the time of the insured's death, whereas the use of an instalment option would be preferable in the case of a mortgage containing no such acceleration clause.

Mr. Barton showed how the spendthrift clause is the "harness" which the insured places around his settlement option arrangements in order to "keep the horse from running away" and thus exhaust the proceeds before the children, for example, pass their dependency period. He pointed out the hardship and disadvantages accruing to beneficiaries too tightly hemmed in by the spendthrift clause where the insured effects a too restrictive arrangement.

Possible ineffectiveness of a provision for reversion to the insured's estate of any payment becoming due at the death of the last surviving beneficiary some years after the insured's estate is closed and settled was illustrated by following the course of such payment after it passed into the insured's reopened estate and found its way ultimately, at least with respect to a sizeable portion of the payment, into the estate of the insured's wife, which circuit is the very one the insured wished to avoid. Addition, in the settlement agreement, of those of the insured's relatives who were close to him affords a solution to this problem.

Also covered were the question of the legal status of settlement options and the relation of the rule against perpetuities to settlement options, particularly as the rule applies to residents of New York.

Extends Time for Bids

ST. LOUIS — Superintendent Lucas has extended the time for bids on the business of the Central State Life for three weeks.

Among the companies that have definitely indicated an interest in Central States business are: American United Life, Indianapolis; State National Life, St. Louis; Kentucky Home Mutual Life, Louisville, and the recently organized Mutual Savings Life of St. Louis.

ance is a modest but ample "pot of gold" which takes some of the edge off the barrenness. He must demonstrate with packages of cigarettes or other everyday commodities how little sacrifice is required to meet insurance premiums. He should show how life insurance beats by 50 percent any private investments an individual might make against the future. And all this he should do in a manner as simple and as intelligible as a cartoon illustration.

Life Insurance Advertisers Check on Their Gunfire

(CONTINUED FROM PAGE 3)

reports showing the percentage of men and women who saw the advertisement, who read the headline, who read the text, and who remembered whose advertisement it was. More than 18,000 advertisements have been thus checked.

From such reports it was soon apparent that all advertisers did not get the same results for their money. For example, one advertisement in a certain publication was seen by only 240,000 people while another was seen by 2,430,000.

Didn't Tell Enough

However, trying to interpret these reports for individual advertisements was something like trying to get the trend of business by looking at a single page of stock market prices or like trying to figure insurance rates from daily death notices, Mr. Thompson said. What was needed for the guidance of advertisers was some compilation comparable to the Dow-Jones averages or the actuarial tables used for determining death rates.

The analysis was not easy because there are scores of different factors working in combination and no one factor gives an accurate answer in itself. Mr. Thompson illustrated this by asking which of three pictures would be seen by the highest percentage of men: (1) boy and girl seated on a sofa kissing; (2) boy and girl skiing, girl laughing at boy's spill; (3) boy and girl in bathing suits, running along the beach. The answer is the skiing picture, since it has three sure fire hits in combination: costume, humor and something unusual happening.

Baby vs. Monkey Wrench

If on the left-hand page of a magazine there is a picture of a baby and on the right hand page a picture of a monkey wrench, men will look at the monkey wrench and women will look at the baby. According to the analysis of readership reports women are four times as interested in pictures of babies as men are, whereas mechanical subjects have the effect of actually repelling women readers.

If a picture shows a girl in a riding habit astride a horse men will look first at the horse for animals outrank women in pictures, according to the readership reports, in attracting men's attention. Women, however, will look at the riding habit, since costumes outrank women and animals in attracting women's attention.

It seems reasonable, he said, to conclude that the way to find out what makes some advertisements more effective than others is to compare the way the elements with which creative advertising men work are used in advertisements receiving a high rating with the way they are used in advertisements that get a low rating.

Found Significant Factors

"By way of experiment," he said, "we took 150 advertisements that got a high rating and undertook to set down the factors which controlled this rating in each advertisement. This gave us a list of nearly 90 possibilities. We next checked this list against 150 advertisements with low ratings to find out which factors were present in the successful advertisements but absent in the failures.

"Out of nearly 90 possibilities it soon became apparent, as the tests were repeated with thousands of other samples, that many things over which advertising men have argued in the past made no particular difference. In other words certain elements appeared with equal frequency in advertisements with good or bad rating—and therefore could be dropped from the list. In the process of shrinking the original list of 90 factors down to 36 many theories went by the board."

Mr. Thompson did not list all the fac-

tors but said the following are typical: Borders make no difference in whether an advertisement is seen or not; white space was used as often in advertisements with low ratings as in those with good ratings. Long copy appeared with equal frequency in good advertisements and in poor ones. Also did short copy. Unusual shapes or designs did not seem to increase attention. Big type did not guarantee that a headline would be seen. Type spaces did not seem to affect the attention as long as the type was readable. Also it makes little difference whether a headline is in the first person, second person, or third, the word "you" appearing in as many poor headlines as in good ones.

SUCCESS PRINCIPLES

On the other hand certain common-sense advertising principles stood up as true and certain others which might ordinarily be overlooked were revealed by this whole sifting process. For example, advertisements in which there is something happening are far more likely to get high rating than a low one. Advertisements which show a product in use are more likely to be in the high-rating zone than in the low-rating zone. Headlines which suggest a paradox or apparent contradiction—statements which seem to contradict themselves or a popularly held idea—occur far more frequently on high-rated advertisements than on those in the lower end of the scale. A good example of this is "If the Railroads Are So Good Why Aren't They Rich?"

Danger Gets Attention

People in costume show up as another means of attracting attention. Danger scored seven times more often than safety in advertisements that rated high in attention. As almost all advertisers know, animals and babies get attention but there is a wide variation in the value of these attention-getters in different advertisements, depending upon the other factors with which it is used in combination. An advertisement may command high attention or observation and still fail to do a job for the man who is paying the bill. One insurance advertisement was observed by over 80 percent of the readers but 40 percent thought that it advertised an entirely different product.

"As a means of testing the accuracy of our weighing of the factors, we take advance issues of various magazines and appraise each advertisement in them for future comparison with the readership reports," he said. He exhibited charts which showed that the average of error is usually 2 percent or less in forecasting what the readership report will actually show.

Compares Insurance Results

Turning specifically to insurance advertisements, Mr. Thompson exhibited the best read insurance advertisement of the year which was not merely seen but read by 2,760,000 people. Then he showed the one read by the smallest number of people, 600,000. Each of the two companies paid \$8,000 a page but one company got more than four times as much for its money. The average attention given to all insurance advertising, he said, is somewhat higher than the average for all advertising. Men give it only slightly more attention than women. In the matter of text reading 8 men read insurance advertising for every 7 women who read it, on the average.

"By and large the insurance companies that fell below the average of readership which they have a right to expect were advertising to themselves," he said. "They were talking about things which they like to talk about instead of about things people like to read about."

After exhibiting a number of other advertisements and the number of readers which each drew, Mr. Thompson said there are several "stop signals" in this group of advertisements, the most important ones being that all the highly read advertisements were talking about the reader and not about the company; in most of the poorly read advertisements the company was talking about itself; if you take the trouble to have something unusual happening in your illustration you don't need big type to get better than average reading; the more unselfish your advertising seems to be the more consistently it is well read; economy or saving money may be good appeal to sell insurance in a personal interview but they aren't good bait to catch readers of insurance advertising; pictures of widows and orphans get average or lower than average attention but seem to run economies a close second as a repellent of readers; the insurance advertiser who builds up, over a period of years, a reputation for having something to say that shows his interest in the reader to be greater than his interest in himself builds the largest reading audience.

Describes Eye Camera

Mr. Thompson described the workings of a camera device which makes a photographic record of the eye movements of a person reading an advertisement and gives an accurate measurement of which parts of the page attracted his attention, in what order, and for how long. Thousands of persons used this machine without knowing that the aim was to test the power of the advertising. They were informed merely that it was a scientific test. It has proved very valuable in revealing the effectiveness of advertising copy.

DIRECT-MAIL SETUP

S. M. Gamble, agency assistant Massachusetts Mutual, sketched that company's elaborate direct-mail setup, particularly the results that have been obtained from merchandising it to the general agents and agents. The general agent's active cooperation in merchandising direct mail determines, more than everything the company can do, his agency's use of the service. Through broadsides, through items in the house organ, and through advertising and news items in the insurance press, the company keeps the field informed. The general agent is encouraged to play up the direct mail service in talking with prospective agents.

Played Up at Conventions

Agents are told about the service at the training course and in the home office review courses for recently recruited agents who have qualified for the privilege of attending. The service is discussed at conventions and regional meetings. At one convention there was an actual demonstration of the service in operation.

Because the general agent, though sold on direct mail, is usually too busy to give sufficient time personally to this important activity, the company has recommended that each general agent appoint a member of his management staff as the direct mail secretary. Usually this is a woman. The direct mail secretary must be sales-minded, cooperative, and sufficiently interested in the progress of the company to familiarize herself with the needs for life insurance and with all the advertising pieces in the line and be able to assist the agents in planning direct mail campaigns.

It is impossible to determine accurately, Mr. Gamble said, which piece in the line is the most productive. The plan permits the agent to order whatever piece or series of pieces he wants

mailed to his prospects. The agent wants to sell the prospect insurance to cover all his needs. Therefore, the campaign may and often does, include for example pieces on retirement income, family protection, and education for children. The sale may be ordinary life with or without selection of settlement options. It is obviously impossible to say which of the mailing pieces was the most effective in helping the agent to motivate the prospect to buy.

HIT TENDER SPOT

However, it was possible to determine that there was a better ratio of sales to number of pieces mailed in campaigns which included letter 17 than in campaigns which did not include this piece. The letter discusses insurance on the life of a daughter but this does not mean that all the sales following the use of the letter were on the lives of daughters. In many cases the agent makes his approach through a tender spot in his prospect's heart but makes his sale on a much better basis of service to the prospect and his family.

Results Without Direct Mail

Another question that some have asked is: What percentage of sales which have been made after use of direct mail would still have been made if direct mail had not been used? This is as impossible to answer, said Mr. Gamble as the question, "If you were not the son of your father and mother, whose son would you be?"

The actual selling must be done by the agent, he said. The Massachusetts Mutual's direct mail does not ask the prospect to reply. Its purpose is to give the agent a track to run on and to plant in the prospect's mind the thought of his need for life insurance, making it less difficult for the agent to cultivate his field and reap a harvest. All the glory and commissions belong to the agent, he said, but "we know that his investment in direct mail advertising, intelligently and persistently used, pays him a handsome return."

Testifies from Own Experience

F. W. Floyd, general agent, Philadelphia, Columbia National Life, testified from his own experience on the value of direct mail under circumstances which forced him to rely on it almost entirely. He was disabled for a long time and used direct mail systematically to keep in touch with his policyholders. During the first three months after he left the hospital he was at home and able to supplement mail by the telephone, but when he left to convalesce at Warm Springs he used direct mail only.

Because of his being disabled, Mr. Floyd had to handle this theme in his mailing pieces with extreme care. It had to be light enough in tone to avoid seeming maudlin or sympathy-seeking yet serious enough to put the story over. He re-wrote the copy many times in order to get the proper degree of balance. Unquestionably, he said, these mailings built good-will, aided conservation and created interest. It is still too early to tell what the potential sales value will be.

Beatrice Jones Speaks

Miss Beatrice Jones, manager women's division, Wilson agency Equitable Society, New York City, suggested that an advertising campaign designed to make women take off their masks and boast of their husband's devotion as evidenced by their life insurance would widen the women's market.

"Let one woman in a group of women start boasting about her husband's thoughtfulness and tender care and every woman in the room rises to the defense of her own husband," she pointed out. "Women overdo this trick a little. A man can be only a few notches removed from a scoundrel—and being a business woman I some-

times know a lot more about him than his wife has any idea of—but when his wife gets warmed up to her subject you would think she was talking about the angel Gabriel. All this enthusiastic energy should be harnessed and employed in behalf of life insurance."

Two important contributions which life insurance advertising can make to the agent are to increase his prestige and the number of his prospects. People make "unfunny wise-cracks" about the agent and avoid him because he plays the role of the voice of conscience, very much alive and staring them in the face, she said.

Many Refuse to Listen

"Some people who are being troubled by conscience try to drown it in drink," Miss Jones said. "But the majority resist this annoying emotion by kidding themselves into believing that if they refuse to listen it will go away. And in an insurance interview where the agent is the living symbol of conscience, too often he does go away. But sometimes he refuses to go away in the face of rebuff and he persists and stays in the picture until the troubled prospect faces the issue squarely and acts on the advice of conscience. Sometimes, too, when the agent persists his very persistence gives rise to the charge of high-pressure selling and adds still more evidence to the great pile already lined up against the insurance agent."

The insurance advertisers, said Miss Jones, can offset this by interpreting the agent in a new role, no longer the nagging conscience but a helper and willing servant, the good student who helps solve the toughest problems. As for increasing the number of prospects, Miss Jones pointed out that a good life insurance agent is better served by having as his prospect a stranger who has a friendly regard for life insurance than a friend who is unfriendly to life insurance.

Will Soften "False Resistance"

Agents don't expect advertising to do their prospecting for them, she said, but if advertising can get across the true picture of the wonder of life insurance it will begin to soften the false resistance which has existed for so long and is only now beginning to show signs of giving way.

In answer to a question Miss Jones said that she did not believe women agents had had any more significant part in the greater acceptance of life insurance by the public than men agents but that most of the credit is due to advertising.

A. H. Reddall, assistant secretary Equitable Society, program chairman, welcomed the members at the opening of the session. C. Sumner Davis, editor of publications, Provident Mutual Life, and L. A. A. president, spoke briefly at the luncheon.

Seven Round Table Groups

The afternoon session was closed to all except members. There were seven round table groups, each with a chairman, as follows: national advertising—magazines and newspapers, A. H. Thiemann, New York Life; annual statements—booklets, folders, advertisements, A. F. Sisson, advertising director State Mutual Life; home office periodicals for agents, L. B. Hendershot, manager of agencies Berkshire Life; enclosures for premium notices and receipts, J. A. Young, assistant secretary Monarch Life; direct mail advertising, C. C. Loeble, assistant to the president Presbyterian Ministers Fund; sales promotion material, including visual material for the interview, Richard Rhodebeck, superintendent of agencies United States Life; advertising specialties—calendars, pencils, goodwill gadgets, etc., N. A. White, advertising manager, Provident Mutual.

A special table was reserved for an exhibit of companies' current annual reports to policyholders.

Get ready for Accident & Health Week, March 24-29.

Life Ad Men at Eastern Round Table



Shown in an off-the-record mood at the Life Advertisers meeting in New York are Nelson A. White, Provident Mutual; J. A. Young, Monarch Life, and Lewis B. Hendershot, Berkshire Life, round table leaders.

LEGISLATION

Missouri Qualification Bill Is Before Legislature

JEFFERSON CITY, MO.—The Missouri legislature has before it the insurance department's agents qualification bill, which was presented by Representative Bruner, Fayette, Mo., at the request of Superintendent Lucas.

The measure provides all agents and brokers must pass examination as to their qualifications except those licensed at the time the bill passes and those in communities of less than 1,500 population and within 10 miles of such communities. For the most part these latter are part-timers. There is a provision for the issuance of temporary licenses to life agents.

The provisions of the bill were worked out by Superintendent Lucas after several conferences with leading agents and brokers.

Maine Hearing Is Held on Savings Bank Bill

The Maine legislative committee which has been considering a bill for permitting savings banks in Maine to enter the life insurance business is making its report this week. About 100 insurance men who attended the hearing before the committee in Augusta last Wednesday believe that a majority of the committee will vote against any favorable report on the bill.

Dwight Sayward, general agent John Hancock, Portland, chairman of the legislative committee of the Maine Association of Life Underwriters, directed a most skillful presentation of arguments against the bill. Norris Estabrook, general agent State Mutual, Houlton, was the first speaker before the committee. He spoke on the value of the service of life insurance agents. Other speakers from life insurance ranks were Donald F. Higgins, Travelers, Bangor; Harry Smith, New York Life, Skowhegan, and Deane S. Thomas, general agent, Connecticut General, Portland. Commissioner Francis spoke in opposition to the bill,

as did the representative of the Savings Bank Association of Maine.

Commissioner Francis told the Maine committee that "there is no room nor need for savings bank life insurance in Maine today." He was supported in his opposition by several bankers and insurance agents.

Judd Dewey, Massachusetts deputy commissioner of savings bank life insurance, and president B. D. Dorsky, Maine Federation of Labor, appeared for bill.

Savings Bank Bill in Mo.—But No Savings Banks

JEFFERSON CITY, MO.—Proponents of "savings bank insurance" in Missouri have suddenly awakened to the fact that there isn't a bank in the state that could qualify under the measure now before the legislature.

H. B. 83 provides for the sale of this form of insurance by "savings banks." But there are no savings banks in Missouri. There are many banks and trust companies with savings departments but no financial institutions chartered as savings banks. Upon discovering this fact, the author of the bill said he would have it amended in committee to make it possible for the savings departments of banks and trust companies to issue the so-called low-cost insurance. The policies would be limited to \$1,000 and annuities to contracts providing for the payment of not more than \$200 a year.

Shepherd for 2 Percent Table

LINCOLN, NEB.—B. E. Shepherd, actuarial Life Presidents Association, appeared before the Nebraska legislature's committee favoring the approval of a 2 percent American experience table. Even the largest eastern companies cannot get 3 percent on their investments, he said. The change would have no effect on future policies but would make for a clearer and straighter statement of surplus. At the beginning of 1940 only 10 states required the 3 percent assumption and since then two other states have abandoned that standard.

Governor Griswold has approved the bill which removes all limitations on the amount of insurance that may be

written upon children up to 14 years when they are empowered to contract on their own behalf.

Indiana Legislature Adjourns

INDIANAPOLIS—The Indiana legislature, which adjourned last week, passed no measures of great moment to the insurance business, apparently. Domestic life companies of Indiana were given permission to loan 66 2/3 percent of value on property instead of 50 percent as formerly. In this same measure reinsurance procedure was simplified.

Colorado—The house has passed a bill providing for the regulation of mutual benefit associations. It transfers authority from the state building and loan commissioner to the insurance commissioner. It requires cash payments and eliminates funeral benefits.

Iowa—A house bill that would have required insurance companies to dispose of farm properties within two years instead of five as now required was killed.

California—The assembly has passed a bill changing the expiration date for life agents' licenses to Jan. 1st and eliminating present inconsistent provisions on licensing of disability agents.

It also passed a bill concerning the writing of "controlled business," changing the law regarding life agents from the premiums written basis in a fiscal year to commissions received in a calendar year. The bill seeks to eliminate loopholes which permit violations of the spirit of the law by the use of subsidiary and affiliated corporations; permits life and disability agents to write a limited amount of personal insurance while licensed under a certificate of convenience, and strengthens the law against twisting, by adding to the California code a prohibition against misleading representations or comparisons based on the Illinois laws.

Arkansas—A bill was passed providing a four year term for the insurance commissioner.

Nevada—A bill providing for recodification of the insurance laws of Nevada was passed.

Bay State Bank Insurance Is Now Nearly \$200,000,000

BOSTON—The annual report of Judd Dewey, deputy commissioner of savings bank life insurance in Massachusetts, will show insurance in force, as of Oct. 31, 1940, of \$192,241,668, as compared with \$173,976,707 for 1939. Figures available as of Feb. 28, 1941, show the amount in force at that time to have risen to \$198,058,145.

The number of policies issued as of October, 1940, was 212,202 as compared with 193,794 for 1939 and this number had been increased to 218,877 as of Feb. 28.

Savings bank life insurance has been in operation in Massachusetts for 32 years. The system has 29 banks of issue and 105 for collection of premiums, one new issuing bank having been added the past year. A limit of \$25,000 is now placed on the amount of insurance which can be carried by any one policyholder.

Savings bank life insurance experienced a 33.67 percent mortality ratio. Surplus as of Oct. 31 was \$2,536,350, an increase of \$242,784 over Oct. 31, 1939.

William A. Spiker, New York, agency organizer at New York Life's One Park Avenue office, is celebrating the arrival of a son, his first child, at White Plains Hospital. Prior to entering the life insurance business, Mr. Spiker was resident manager of THE NATIONAL UNDERWRITER at New York. The boy's grandfather, N. A. Spiker, is in the life insurance business in Cincinnati.

Sales Ideas and Suggestions

Investment Advantages of Insurance Demonstrated

BROOKLYN—Advantages of life insurance as an investment for men in upper income brackets were pointed out by H. W. Baird, agency assistant at the John Hansen agency Northwestern Mutual Life, before the Brooklyn Life Supervisors Association. Citing a recent article in "Collier's," Mr. Baird showed the difficulties faced by a man with a \$100,000 a year income in investing surplus funds. Before the bill was passed making income from all federal bonds subject to income tax, the \$100,000 a year man secured a better net return from government tax-free bonds than from bonds with a better interest yield. With the elimination of tax free bonds, the income tax advantages of life insurance loom all the more important.



H. W. Baird

Investing for Future Income

Men with large incomes are investing primarily for future income for themselves and their families. Life insurance is especially designed for creating and transmitting an estate on the one hand and furnishing maximum retirement income on the other. Instead of being paid out annually while the investor is in the high tax brackets due to personal income, the income from the life insurance investment compounds, income-tax-free, waiting until needed in the future. In addition to the guaranteed increase in the cash values, there is on participating insurance the factor of dividends which contain further income tax advantages, as they are held to represent a return of principal rather than earnings.

A comparative example was presented by Mr. Baird: Mr. A, age 45, has a taxable income of \$100,000 and is considering the following three alternatives for a proposed investment of \$25,000: (1) Stocks or second grade mortgages yielding 6 percent; (2) bonds of good quality yielding 3 percent; (3) single premium whole life insurance.

	Mortgages 6% Stocks or \$25,000	3% Bonds \$25,000	Single Life Ins. Premium \$25,000
Available for investment.....	\$25,000	\$25,000	\$25,000
If Mr. A dies, taxes and administration costs will result in shrinkage of approximately.....	15%	10%	None
So that Mrs. A and the children will receive.....	21,250	22,500	43,249 (minimum)
During Mr. A's lifetime he will receive an annual income of.....	1,500	750
But taxes at 68.2% will divert to U. S.	1,023	511	None
Leaving an actual cash income to Mr. A of.....	477	238	None
This is equivalent to a tax-free yield of.....	1.908%	.954%	None

*None, assuming Div. Addn. Plan.

Assuming that Mr. A retires at age 65, and that no loss of principal has occurred, he will still have \$25,000 in his stock, mortgage or bond investments, but his life insurance contract, on which cash values have been compounding and dividends have been buying additions (1941 dividend scale) will have an estate value of \$54,537, and a cash value of \$39,447.

Assuming further that Mr. A wants the maximum retirement income at 65, he can buy an annuity (if still available at 1941 rates) with a monthly life income (10 years certain and life thereafter) of \$148 on his \$25,000 principal, but the guaranteed option in the life insurance contract will pay, on \$39,447

cash, a life income (10 years certain and life basis) of \$255 per month.

For a cost of from \$238 to \$477 per year, as compared to other investments, Mr. A has provided an additional estate for his family of over \$18,000, and has provided for himself an additional monthly life income from age 65 of \$107.

The other plus-factors in the life insurance investment are: (1) Freedom from shrinkage from administration costs; (2) estate tax exemption to \$40,000; (3) freedom from management care; (4) guaranteed settlement options if policy matures by death—principal and interest guaranteed; (5) safety through perfect investment diversification; and (6) proceeds may be trusted—no fees.

Gain Tax Can Be Spread

Mr. Baird said there is also the question of income taxation on the difference between the purchase price of life insurance and the cash value at the time the policy was liquidated. In his example he used the single premium life contract which has no definite maturity date, thus leaving to the investor the election of liquidation date. If the policy should be surrendered for cash, tax must be paid on the gain in the year in which taken. Such a gain is taxable as ordinary income and not as capital gain. The entire contract need not be surrendered in one year, however, thus spreading this gain, and it is assumed that the policy will not be surrendered at all as long as the owner's earned income remains high.

By settling the cash value as a life income, the gain is ignored and the only tax is on 3 percent of the original purchase price until the total of the exempt income equals the purchase price, after which all income is taxable. In other words, in the above case, only \$750 per year would represent taxable income from age 65 to 76, after which \$3,067 would be taxable income.

Younger Man's Case

Mr. Baird cited another case of a Mr. C, age 38, in the \$50,000 a year income tax bracket. His income appears to be steady for some years to come, and he is investing \$10,000 per year, expecting to retire at age 55. Mr. C has

	Mortgages 6% Stocks or \$25,000	3% Bonds \$25,000	Single Life Ins. Premium \$25,000
Available for investment.....	\$25,000	\$25,000	\$25,000
If Mr. A dies, taxes and administration costs will result in shrinkage of approximately.....	15%	10%	None
So that Mrs. A and the children will receive.....	21,250	22,500	43,249 (minimum)
During Mr. A's lifetime he will receive an annual income of.....	1,500	750
But taxes at 68.2% will divert to U. S.	1,023	511	None
Leaving an actual cash income to Mr. A of.....	477	238	None
This is equivalent to a tax-free yield of.....	1.908%	.954%	None

the same investment alternatives as had Mr. A—6 percent, 3 percent or life insurance; in this case annual premium retirement form of policy.

(1) In 1941 Mr. C pays tax on \$50,000 income and invests \$10,000 at 6 percent. (2) In 1942 he pays tax on \$50,000 income plus \$600 interest. Tax on interest amounts to \$316.80; leaving net of \$283.20 to be reinvested, together with \$10,000 from personal income. (3) In 1943 the tax was computed on the interest of the \$20,283.20, the balance reinvested, and so on for the full 17-year period.

It has been assumed that Mr. C's income will remain constant; there will be no change in income tax rates; he

will experience no investment losses; and he will reinvest interest at same rate the day it is due.

permanently disabled he will be relieved of further investment, yet his plan will mature for the full value. He has more

	6% Stocks of Mortgages \$10,000 to \$220,680	3% Bonds \$10,000 to \$195,340	Retire. Insurance \$10,000 to \$208,950
Annual investment for 17 years.....	\$10,000	\$10,000	\$10,000
Estate value, in event of death.....	\$220,680	\$195,340	\$208,950
In event of disability.....	\$10,000	\$10,000	\$10,000
Cash available at age 55.....	\$220,680	\$195,340	\$208,950
Monthly life income, 10 years certain and life basis (assuming purchase of annuity at 1941 rates with cash value of other plans).....	1,037	918	1,163

†No provision. ‡Future investment waived.

For identical annual investment, Mr. C has provided under the life insurance plan an immediate estate of \$90,000 more than other plans. He has the guarantee that if he should be totally and

cash than under the 3 percent plan and almost as much as under the 6 percent plan, and he has over \$125 more monthly income from age 55.

Much New Business Possible Through Social Security

Life insurance can be employed to insure a person's benefits under the federal social security act, and without this added protection the average individual will not be able at age 65 to avail himself of the old age pension because it will probably be less than he could earn in his occupation. This was the conclusion of several speakers in the Saturday Morning Forum conducted by the Chicago Association of Life Underwriters.

All agreed the social security act is a fine thing; that life agents should look upon it as creating a greater opportunity for selling life insurance, rather than as a competitor and enemy of life insurance.

Grimm Sketches Background

The act brings many benefits to a great many people who heretofore have been unable to have adequate life insurance, but still it is not real security, George L. Grimm, Northwestern Mutual Life, declared in a panel discussion, reading a paper prepared by W. R. Chapman, assistant director of agencies Northwestern Mutual, who was ill in Florida and unable to attend. There are 41,500,000 who are eligible under the act, 14,000,000 gainfully employed who are ineligible, and about 71,500,000 not covered.

"Why should the agents pass up the opportunity that the social security act creates to have valuable fact-finding interviews on family situations," he asked. He said the agents should not ignore so far-reaching a development which presumes to do even a part of what life insurance does.

The paper noted the growth of a sense of personal insecurity country-wide and said by 1980 there will be almost as many people over age 50 as those between ages 20 and 50. The United States is faced with the social and economic problems of a steadily increasing average age of population due to lower birth rate and extension of the span of life by medical science. Figures show by 1980 over one-third of the population will be age 50 or over, one-seventh age 65 or over, and one-tenth over age 70. The white population can expect to live to an average age of 62, which is an increase from age 49 reported 40 years ago. He noted the Northwestern Mutual's average age at death last year was a fraction over 62.

In the period 1908-17 the percentage of the total deaths at ages up to 60 was 60 percent, and in 1940 it was 36.80 percent. In 1908-17 of life insurance death claims, 21 percent were 61-69, 13 percent were 70-79, 5 percent plus were

80 or over, whereas in recent years the proportions have averaged: 61-69, 28 percent; 70-79, 25.2 percent; 80 or over, 9.9 percent.

These figures, he declared, demonstrate the increasing need for an adequate provision for old age pension. On the other hand, the Federal provision is inadequate and must be supplemented by many persons. That is where life insurance can take part in the national security program in an important way.

Earl M. Schwemm, manager Great West Life, Chicago, stressed the great boost to the estate planning method which the social security act has given, for, he said, the social security benefits represent a simple, modern estate plan. The finest service that can be rendered the public by the life insurance agent lies in the development of program planning, he said. Life men must realize that this is one of the most progressive features in the social security act. The test of the agent is the manner in which he distributes the insurance he sells and the existing insurance that he finds on the lives of his prospects and clients.

Boosts Estate Programming Idea

Agents cannot use the social security approach in selling life insurance unless they accept the idea of planned life insurance distribution, Mr. Schwemm said. In most cases social security will fit in and serve as an ally of life insurance, rather than an enemy. Agents should see the potentialities in the act.

"The government has attempted to provide an economic floor, but life insurance can build a real house of protection. The average citizen should review his life insurance and have it fit in with social security."

Mr. Schwemm reported 26 percent of the people eligible for the social security benefits have applied for them.

Agents can capitalize on the act and innumerable life salesmen are doing so. They have a responsibility to inform the public of benefits of the act, to explain it honestly and truthfully.

He noted in the past many life agents have measured estate programs by years, but he said the social security act makes it necessary to program now by dates. This is true because when the youngest child reaches age 18 following the death of the head of the family, the widow goes without social security benefit until she reaches age 65. Similarly if the bread earner is entitled to old age pension, he does not get it until he is age 65.

Mr. Schwemm pointed out much life insurance could be sold by giving assistance to the widow and securing her

social security benefits following death of the family head.

The main objective of the act is to keep the mother in the home and the children in school. This is the central idea of life insurance as well. It is necessary for agents to recognize that social security benefits are on a socialized basis; they favor the older people and the lower income groups.

Mr. Schwemm said the act has created a new critical income period, which is from the time the youngest child reaches 18 until the widow becomes 65. Therefore, the law has crystallized the need for educational insurance as the act now takes the child to age 18 then drops him or her.

Clean Up Fund Essential

This makes it necessary for agents to do a better job in arranging clean up insurance, and stresses the importance of placing mortgage redemption insurance, for without additional specific life insurance for this purpose it may be necessary for the widow to use all of her social security income benefit to make payments on the mortgage. Agents should change much lump sum insurance to the income plan, he counseled. It is more important than ever before what type of policy is sold. The people must buy their life insurance more wisely.

PLENTY OF ARGUMENTS

Another strong reason for selling life insurance is that with the supplementary income that it will provide the man will be able to retire earlier than age 65 if he wishes. Specific provision for this contingency can be made through life insurance by arranging, for instance, income for ten years certain from retirement age 55 until the social security benefits become payable.

Frank Tells His Methods

Raymond W. Frank, Caperton agency State Mutual, President's Club leader for several years, told his method of social security approach. He said many agents seem to feel bolstering the social security benefits by life insurance is a "peanuts" proposition. However, he has made it pay, has sold larger average cases than heretofore, larger, even, than the State Mutual's national average, and had his largest month last December. Through the information on social security which he gave one client, the man when he was taken to the Mayo clinic at Rochester with an incurable disease was led to convince the surgeons they should delay even x-ray tests until 1940 so he could become eligible for the social security benefits. They cooperated in prolonging his life, and after qualifying for the benefits he died. With supplementary life insurance his widow now is getting \$122.10 per month and when her youngest daughter reaches age 18 still will get \$105.05.

Few Refuse to Tell Income

Mr. Frank said of the 125 persons he has interviewed with the social security approach none has refused to tell what he earns if the amount is under \$3,000, and if it is over \$3,000, he said, he does not care what is the income.

He has been able to interest executives in business through approaching them about supplementary retirement income for their employees. The social security approach is one of the greatest steps in solving the prospecting problem, he said. Many executives are glad to furnish the names of employees who may need the service. Mr. Frank uses the social security "Slide Rule" published by "Diamond Life Bulletins" in his interviews. He prepares graphs of real cases which he shows to prospects. These exhibit the gaps in coverage and put the pressure on the prospects. Some of them, he said, actually squirm when they see how unprotected are their families. The social security approach is a source of regular sales.

Using the social security approach in selling employed women was explained

by Miss Helen M. Zepp, Reno agency Equitable Society. She said the death of a child in the critical years when the widow is receiving her widow's benefit and allowance for children will reduce or wipe out the benefit. This contingency, therefore, needs to be covered by life insurance. Another strong argument for additional protection is the possibility of the widow remarrying. If she does so her social security benefits will cease. Then, too, the social security act as now phrased does not give any vested right to eligible persons who are paying tax for the benefit, but instead can be changed at any time by congress. This offers reason for making independent provisions for social security through life insurance.

Agents should be cautious in arranging benefit settlements under life policies so they won't have to readjust them every time there is a change in the family situation, he said. Agents, therefore, should maintain close contact with their clients or make certain their clients will keep in close touch with them and advise about changes in business or family setup. Thus the individual may change from an employment that is covered under the act to one that is not covered, which change would disqualify him for benefit.

Opportunity to Sell Juvenile

There are by-products of social security. One is the real opportunity that is created to sell juvenile life insurance with the payor clause. The child today has a great potential value in the estate that has been set by the provisions of the act. Miss Zepp said the child's potential value if under one year of age is more than \$10,000.

A better opportunity is created to stress the need for clean up fund and also for life insurance to make it possible for the head of the family to take advantage of the benefits at age 65.

INSURANCE GAP FILLER

The proper life insurance arrangement for employed women in covered occupations should serve as a "gap filler," she said. The form used should be endowment or retirement income at age 55 in amount sufficient to provide adequate income during the 10 year period to 65, or \$40 monthly income, if possible, which would require about \$4,000 cash at age 55. Miss Zepp stressed that if the individual is in a covered occupation and earning more than \$15 monthly at age 65 he or she cannot take advantage of the social security benefit. Women can be strongly appealed to by the proposal of travel fund policy, she said.

Has Curtailed Prospect List

F. J. Budinger, general agent Franklin Life, past president Chicago C. L. U. chapter, exhibited large charts on the social security benefits which showed strikingly the gaps that should be filled by life insurance. He said there is no question but social security has eliminated some prospects of life agents, mainly in the low income groups who are satisfied with the amount of benefits they would receive.

While the social security theme is a very effective method of securing prospects, a questionnaire which Mr. Budinger sent to a number of companies showed only a few are doing any direct mail campaigning along this line. Those who are doing so report up to 15 percent replies.

He said the agents can interest the people in showing them what they do not get under social security, then showing how they can get it with life insurance. It can be demonstrated there are no contingencies with life insurance contracts such as under the social security act. The policyholders will be sure all the benefits will be paid.

It is helpful to point out to employers that by paying their portion of the tax they are providing not only social security for their employees but in many

instances a better basis for retirement than the employers will have themselves. This demonstration frequently will produce new life insurance on the lives of the employers.

Revision of the social security act has brought about a reduction in the bachelor's benefit. Single men, therefore, can be interested by showing them what they would have got in benefits under the unrevised act and then showing how they can assure themselves of at least this amount through additional life insurance. Better interviews can be secured through the social security approach.

The government has set a striking example of stimulating thrift by starting early to set aside provisions for old age. It is harder now for young men to argue that they can wait about starting their estates. Those under the act probably will be unable to get what they paid for, he commented, unless they make additional provision through life insurance. They won't be able to retire on so small a sum as they will get under social security. Life insurance, therefore, can be used to insure the social security benefits.

Salary Allotment Angle

T. S. Beck, Travelers, told his company's plan of salary allotment canvass in connection with social security. It is stressed the benefits are completely inadequate. Salesmen carry a folder containing trademarks of nationally prominent business concerns which have salary allotment plans for their employees in Travelers. Much is made over the fact the DuPont company has more than 10,000 employees who have salary allotment insurance totaling over \$28,000,000 in the Travelers and that this firm has had no labor troubles.

Banking and taxes and their relation to life insurance will be the theme of the Saturday Morning Forum March 22. M. A. Brown, vice-president banking department Harris Trust & Savings Bank, will discuss "A Banker Looks at Life Insurance."

A panel discussion is scheduled on "How to Use the Tax Approach," speakers being P. F. Millett, Mutual Benefit, on "Income Tax;" B. K. Murphy, Penn Mutual, on "Estate Tax," and H. R. Schultz, Mutual Life of New York, on "Excess Profits Tax." G. H. Gruendel, Mutual Life of New York, will preside.

Procrastination Main Point in Failure to Make Wills

MINNEAPOLIS—One out of three middle class Americans knows that he needs to make a will, but can't get around to doing it; one out of five actually has made a will, and one out of six feels his estate doesn't amount to enough to warrant making a will.

An inquiry to 25,000 of its ordinary policyholders made by Northwestern National Life also revealed that a vacation or other trip causes more people to make wills than any other outside influence, with advice of business associates second in importance. Change in family relationships is another major cause of will-making, while the unexpected death of some relative or acquaintance is also an important awakening factor and is the prime stimulus for making 10 percent of the wills reported.

Have Substantial Property

Only 16 percent of the policyholders reporting felt they did not have enough of an estate aside from life insurance to justify a will, but holdings of those without wills averaged \$6,870 in life insurance and \$5,741 worth of other property. Ten percent of those without wills reported more than \$10,000 each in property other than life insurance. More than half of these knew they needed to make wills but were still putting it off.

Of those who had made wills, the average estate amounted to \$16,633 in

More Time Needed on Prospecting

The inconsistency of general agent and supervisors devoting only 20 percent of their time spent with agents to aiding them on prospecting problems while 50 to 90 percent of an agent's success depends on efficient prospecting, was pointed out by R. W. Frank, State Mutual Life, before the Life Agency Supervisors Club of Chicago. Lack of prospects or prospecting ability hampers a majority of agents in their work. Drill and practice are required in establishing prospecting habits. Mr. Frank also suggested the importance of constantly questioning people about their acquaintances in order to detect their sales possibilities.

Get New Agent Started

Even if the new agent has a long list of prospects to start with it is important to get him started early in adding to his list and establishing prospecting habits, Ralph McCaskey, Massachusetts Mutual Life, pointed out. He suggested that each agent make a point to remember at least two names every day which come up in conversation with other people and then check up and get more information about them. In securing names of prospects it is imperative that the agent describe the situation or type of prospect he wants rather than merely asking for names, he said.

Present Prospecting Film

The Union Central Life's prospecting film with recorded explanations was presented by Elmer Grandson, Union Central Life. It brought out that prospecting consists of finding the right people and organizing names. Friends are the first source of centers of influence from whom names can be secured but new centers of influence should be developed in order to keep prospecting file alive. After making the acquaintance of a person who is in a good position to provide names of prospects, it is a good policy to spend a little time in developing his friendship. By getting interested in him and his business the agent can develop him to the point where he will be glad to suggest prospects. To keep a center of influence interested, it is important that the agent always report results to him.

Ask Specific Questions

In securing referred prospects it is always important to ask questions which are easy to answer. Instead of asking directly for names it is more effective to ask about certain people the person knows or to describe situations or needs, such as "do you know anyone who is building a home?"

Many prospects can be uncovered by personal observation. It is necessary for the agent to listen to a lot of miscellaneous information in conversations with people he contacts and then sift it out for prospects who need coverage and are in position to pay for it. Asking questions about other people develops valuable sales information. Men can be asked about other men in their business concern, relatives and neighbors. Once they get started talking the information will come easily.

life insurance and \$19,476 worth of other property.

Contrary to general impression a change in physical health was found to be one of the minor influences causing less than 3 percent of wills to be made.

Making a will is not necessarily advisable simply because one owns some property, the report points out, but a will in many cases avoids unfortunate and costly tangles. It is best to consult a reputable attorney in making a will. Home made wills are a fertile source of trouble and unhappiness; owners of estates of between \$3,000 and \$10,000 in value are the worst offenders in this respect.

81 YEARS OF SERVICE

THE
GUARDIAN LIFE
INSURANCE COMPANY
OF AMERICA
NEW YORK CITY



A MUTUAL COMPANY
ESTABLISHED 1860

FOR MEN OF
GENERAL AGENCY
CALIBER

We have territory open in Vermont,
southern New Jersey, and Delaware.

Our combined Life and Non-Can-
cellable Accident contracts are valu-
able sales aids.

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WILLIAM D. HALLER

Vice-President and Agency Manager

UNITED LIFE
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Insurance Company

CONCORD, NEW HAMPSHIRE

NOW IN OUR 75th YEAR

A milestone at which we are grateful for the
steadfast confidence and good will that mark day-
by-day relations between policyholders, field force
and home office staff.

An anniversary in which we are striving to be
worthy of continued leadership as one of America's
oldest and strongest life insurance companies.



EQUITABLE
LIFE of IOWA
HOME OFFICE • DES MOINES

Easily WIN MORE SALES WITH
This ACE Hand!



Here's four of the best "Sales-Winners"
you've ever had brought to your attention.
Insurance benefits put up in easy to under-
stand—easy to present form. A new way
to sell! Actually INSURANCE PACKAGES
containing just what most people want!
And easy for them to see what they are
getting! With a different size "package" for
any size pocketbook these plans show you
a proved way to boost your earnings . . .
a way to increase your average sale; close
more prospects; and "open the door" to
other forms. Write for copies—no obligation.

What they offer your Client!

1. PAYMASTER

To family—\$400 immediate cash; \$75.00 per
mo. for 1 yr. and \$100 1st yr. Xmas check.
Also attractive benefits to insured at 65.

3. PAYMASTER SPECIAL

To family—\$500 immediate cash; \$75 per
mo. for 3 yrs. and \$100 1st, 2nd, and 3rd yr.
Xmas check. Also attractive benefits to the
insured at 65.

2. PAYMASTER SENIOR

To family—\$400 immediate cash; \$75 per
mo. for 2 yrs. and \$100 1st and 2nd yr. Xmas
check. Also attractive benefits to insured
at 65.

4. PAYMASTER GENERAL

To family—\$1000 immediate cash; \$100 per
mo. for 3 yrs. and \$100 1st, 2nd, and 3rd yr.
Xmas check. Also attractive benefits to the
insured at 65.

ALTERNATE: For the Insured — All of the above plans also offer attractive benefits for the insured at 65.

HOW THEY INCREASE AVERAGE SALES

Since offering the PAYMASTER series agents have increased the size of their average sale by 24%

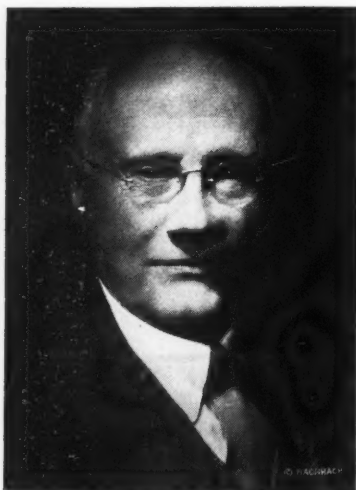
Write for samples of these Sales-Makers!

JAMES A. PRESTON, SALES MGR.

The COLUMBUS MUTUAL Life Insurance Co.
COLUMBUS OHIO



Pan-American Life Senior Dynamo Club plaques were awarded to three leading producers for 1940 by E. G. Simmons, executive vice-president, at the New Orleans Mardi Gras convention. Left to right—L. A. Goodman, general agent El Paso, Tex., club president; R. M. Merritt, Pensacola, Fla., club secretary; Dr. Simmons, and J. C. Johnson, general agent, Pensacola, Fla., club vice-president.



Dr. W. H. Hazard of Boston, who has been in charge of the publications of the New England Mutual, and was editor of the "Pilot," its house organ, is now to lead a cloistered and sequestered life in a way. Dr. Hazard has had a full life and touched it at many points. He will have a glorious time as the afternoon glow illuminates the landscape.



A stirring talk was given by L. A. Williams, director of sales, before the annual meeting of the Hoosier Farm Bureau Life in Indianapolis. He stressed the idea that life agents have a real mission in life in providing economic security and that they should be motivated by this objective rather than just think of life insurance as a medium for making a living. The Hoosier Farm Bureau Life increased its insurance in force more than 50 percent in 1940. It is making a special aim to insure farmers who represent 25 percent of the population and yet own only 6 percent of the nation's life insurance in force.



More than 30 agents of the Ernest C. Hoy agency in Chicago have qualified for the 10-Year Club of the Sun Life of Canada. Three of the agents who are known throughout Chicago for being "hard workers" are Chinese. Shown above with Mr. Hoy, they are Mrs. E. S. Fung, Miss M. Y. Chung and H. K. O'Young. Miss Fung and Mr. O'Young are members of the agency's 10-Year Club.



Bankers Life of Iowa officials congratulate W. K. Niemann on his Des Moines agency's fifth straight year of leading all agencies in new business production. Preceding a banquet tendered Mr. Niemann and his agency, President Gerard S. Nollen, left, center, shakes hands with Mr. Niemann, while Vice-President W. W. Jaeger, right, M. E. Lewis, superintendent of agencies, and W. F. Winterble, director of agencies, look on with approval.



Attention getting illustrations are used in the Western & Southern Life's new annual statement in four colors. The soundness and stability of life insurance and how it functions are featured.

Life insurance is pictured as a "Wall of protection" around "Americaville" bustling with various activities. There is a church, with a wedding party emerging, a super-service station, recreation park, school, Main street, the homes and garden, stores, factories fire station.

Each huge block in the "Wall of protection" represents a certain group of Western & Southern assets. The blocks are labeled, "U. S. bonds, city and farm properties, cash."

Opening the eight-page folder, there again is presented in color, the picturization of each asset. U. S. bonds are represented by a view of the capitol building; preferred stocks become real when pictured as busy factories, accrued interest is portrayed by a symbolic drawing.